Behind the Food Stocks pages 15 to 24 — **'Mitch' Hepburn—by Atticus** page 3

THE FINANCIAL POST

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The Nation's Business

Market Meddling Blamed on Washington

Re-employment Job Needs Immediate Action

Danger Looms in C.I.O.-A.F. of L. Merger

Post Attitude Friendly To Construction

New Deal Jeopardizes Business Outlook

THE drastic decline in stock market prices which reached panic proportions this week can be traced to two sets of causes. On the one hand there has been the daily business news. On the other, internal factors described loosely by the phrase "thin" markets, and attributed directly to the "cumulative effect of a variety of governmental policies" by Winthrop Aldrich, board chairman of the top-ranking Chase National Bank.

Since mid-August business news has been disappointing. First came a heavy unexpected slump in unfilled steel tonnage—then a falling-off in actual operating ratios. With commodity prices falling, business found little incentive to "buy ahead" as had been the case earlier in the year. September and October became "wait and see" months.

This realization that 1937 was not the rosy year it started out to be, caught U. S. security markets in a vulnerable position. Already jumpy with war scares and New Deal fears, speculative and investment buying dried up quickly. On top of that was the change in trading rules which impaired the ability of the market to absorb a given volume of selling or buying without exaggerated price movements.

So far there is no substantial evidence that a major business recession is ahead, though profit returns and business volume may continue restricted for several months. But this much seems clear, namely that broad and active security markets which are of vital importance to investors, business corporations, governmental bodies and financial institutions have been definitely impaired by New Deal tinkering of Washington officialdom.

As yet there is little evidence that Washington has learned a lesson. If reasonable steps are not taken to remove some of the most flagrant restrictions, the whole financial and business machinery of this continent may be seriously affected.

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Rehabilitation Job Must Be Done Now

OUTSTANDING citizens in every walk of life have given warm, vigorous support to the editorial which appeared in last week's Post under the caption "A Job to be Done." Some of these views are published elsewhere in this issue.

All are unanimous in their belief that the task of rebuilding our jobless men and women is one that must receive proper consideration in Canada, although opinions differ as to the exact methods to be used.

One of Canada's front rank businessmen in commenting on this problem suggests that while the Canadian Government will sooner or later undertake to deal with the unification of relief administration (implied in the recommendations of the National Employment Commission) he feels this is a constitutional question which is extremely delicate. He expresses the hope that the Rowell Commission will "deal courageously with this important item in our national economy."

Certainly a major item on the Rowell Commission agenda is the whole problem of relief administration in Canada. But this commission may not bring in its report for another year at the earliest.

Meanwhile The Post believes it is imperative to tackle at once the rehabilitation of men who, on the one hand, are needed in industry to fill jobs requiring skill and training, and on the other hand, are rapidly losing their usefulness to industry and to society.

This is not a job that can await the findings of the Rowell Commission. It is not a job that can await the 1938 parliamentary sessions. It is a job that is long overdue and every week that passes without action is valuable time wasted. The enthusiastic support accorded last week's presentation of the problem in The Financial Post indicates there need be little hesitation or delay in implementing at once the rehabilitation plans as laid down by the National Employment Commission six months ago.

• • •

Political Control Aim of Unions

THERE is considerable significance in the apparently successful overtures made last week to bring together the C.I.O. and the A.F. of L. Leaders of these two major labor groups will meet this week to discuss ways and means of healing two-year-old wounds and at this writing, the chances of success appear very good.

The most important long-term implication of such a union is political. Already the C.I.O. has exerted a vital and sinister influence at Washington which had its

(Continued on page 2, col, 3)

Merchandisers Get Albertans' Higher Income

Debts Ignored as Farmers' Cash Resources Increase

SPENT ON GOODS

From Our Own Correspondent

EDMONTON.—Alberta farm income will be $50 millions higher this year than it was in the depression low, and the money is going, for the most part, into consumers' goods. Debt payments, even taxes, are collected with difficulty in Alberta, despite increased purchasing power.

Judging from business reports, cash from Alberta's crop this year tends to be spent on a new coat for the farmer's wife, possibly a new car, a new tractor or perhaps furniture for the farm home. The due payment on the mortgage or the overdue loan is taking second place.

This, in general terms, is the picture that business in Alberta presents this fall, against the background of legislative intervention by the Social Credit Government. The chief governmental instrument is a general moratorium, invoked by the Aberhart Government, which is showing no sign of lifting it. A fairly substantial list of exemptions under the moratorium modifies it, but the postponement of debt payments exercises a stringent effect on business.

Honest Debtors Found

One finds shrewd business observers who recognize the existence of a marked don't-pay-debts attitude in Alberta, and at the same time one meets in almost every business contact the man who defends the debtor, saying he is honest on the whole and is willing to pay within his capacity. The Calgary Herald recently uncovered in southern Alberta scores of individual cases demonstrating that an honest attitude toward debts continues.

But there is no doubt that the creditor in general must take second place in Alberta at present, and the channels in which cash from the 1937 crop is being spent support that feature.

Catch a businessman in Alberta in philosophical mood and he is likely to tell you that a widespread mental attitude exists favoring spending on consumers' goods in preference to debt payments, and he will give you instances.

A farmer recently explained his viewpoint to a party of businessmen on a hunting trip, The money he spent on a new fur coat for his wife and a new car for the family, he said, went into circulation in business channels in the province and so helped business. If he had paid his loan to the bank, the purchasing power would have been lost to business. And the farmer quoted Premier Aberhart to support him.

Such a case throws into relief the effect of much teaching of Mr. Aberhart and his Social Credit spokesmen, where the emphasis has been on keeping money at home and in circulation in Alberta, while at the same time the argument against paying bank and other debts has been that such is a form of tribute to interests outside the province.

Caution in Credit Business

At the same time, business which must be done, at least in part, on a credit basis, such as the sale of an automobile or a tractor, is being done in Alberta. A striking feature that is found in these lines of business is that extra caution is exercised in extending credit, so that this class of credit business is practically hand-picked and can all be classified as "good."

The economic come-back is demonstrated in figures of farm income. A reliable estimate puts Alberta's farm income in 1937 at $170,-

(Continued on page 24)

Realities in Real Estate

What's happened to real estate?

Has there been a real estate revolution which has made ownership of property more of a liability than an asset?

Next week The Financial Post will publish the first of a group of 10 articles covering every phase of today's real-estate-ownership problem.

The pressing problem of constantly rising taxes which threatens to make property owners tenants of the civic landlords, will receive special attention.

United Front Presented On 1938 Newsprint Price

Story of Week In Newsprint

Great Northern Paper announces a price of $48 a ton delivered New York for the first half of 1938 and $50 for the balance of the year. While $2 a ton lower than the price previously set by other operators, the announcement clears the air in doing away with the uncertainty created by unfounded rumors of what Great Northern might and might not do.

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Less than 5% of Canadian production affected by Great Northern's policy. Clarkson, Jones, Cullen and other industry heads reaffirm stand on $50 price.

• • •

Announced intention of Canadian manufacturers to limit production and bring stocks down to more normal levels.

• • •

Newsprint stocks and bonds react sharply from their speculative "highs." Now possible to obtain a clearer view of all factors bearing upon industry and its immediate outlook.

• • •

Premature announcement of higher newsprint price in 1938 makes for higher wages and increased costs of materials for 1937. Earnings may be less than anticipated.

Announcement of Great Northern's Plans Clears General Situation

PUBLISHERS OFFENDED

By JOHN E. LANGDON
Eastern Editor, The Financial Post

MONTREAL.—Developments in the newsprint industry over the past week have been of a constructive character. The air has been cleared of a number of uncertainties and it is now possible to obtain a clearer picture of where the industry stands and where it is headed.

Outstanding in interest was the announcement of Great Northern Paper Co. that for the first half of 1938 it would charge $48 a ton for newsprint delivered in the base zone of New York and that it would advance the price to $50 for the last half of the year.

Previously, Canadian companies had announced a price of $50 a ton for the first half of the year, with an adjustment in the last half, depending upon the trend of costs.

Clear Up Uncertainty

There has been considerable uncertainty about the ability of the industry to enforce the higher price in view of the pronounced opposition from American newspaper publishers and also because of the past record of the industry Further, there was the fear that interlocking contracts, whereby one mill with an annual capacity of 100,000 tons could set the price for the balance of the industry, would nullify efforts to secure a better price.

Despite assurance that less than 5% of the total Canadian production would be affected by interlocking price contracts, the feeling persisted in investment circles that if Great Northern announced a price lower than $50, Canadian operators would have to back down and do likewise.

It had been expected generally Great Northern would set a price of $47.50 a ton; in some quarters, $45 a ton was mentioned. The announcement of a $48 price for the first half of the year is regarded as definitely constructive, inasmuch as it supports the claim of the Canadian manufacturers that a higher price is justified by advancing costs.

Determined on Price

Nevertheless the Canadian operators do not show any sign of backing down from $50 a ton for the first six months next year. There are three or four companies which will be affected by Great Northern's policy because of the existence of old interlocking contracts. Otherwise they are holding out for the higher price.

This evidence of determination for the higher price is indicated by the announcement made by G. T. Clarkson, receiver and manager of Abitibi Power and Paper:

"Our price, as already announced, is $50 for the first six months of 1938 and will not be changed. We have not yet attempted to decide our price for the second six months of 1938."

Jones in Support

Support in this stand is seen in the statement issued by Col. C. H.

(Continued on page 2, col. 5)

Abitibi Income Off In Month

But Continues Well Above 1936 Level; September Figures

Earnings of Abitibi Power & Paper Co., before allowance for depreciation and interest, declined $83,400 in September compared with August. G. T. Clarkson, receiver and manager, explains that the decline is due, to the extent of $34,425, to costs of reopening and losses in operating the Ste, Anne mill, and to the extent of $12,425 to reduced earnings from sales of bleached sulphite pulp. The remainder of the reduction, $36,550, is attributed to higher manufacturing costs which Mr. Clarkson states are due principally to seasonal conditions.

The September earnings were $417,269, compared with $500,669 in August, and $233,413 in September, 1936. For the first nine months of this year, earnings exceed $3.5 millions, compared with a figure slightly below $1.5 million in the corresponding 1936 period.

Sales of newsprint for September amounted to 44,928 tons, compared with 42,736 tons in August, and 31,832 tons in September, 1936. Sales of bleached sulphite pulp amounted to 4,847 tons in September, compared with 5,428 tons in August, and 4,995 tons in September, 1936.

A Job to be Done

From leaders in church, state, education and industry have come vigorous expressions of approval of the front page editorial published in last week's Financial Post under the title: "A Job to be done."

In this editorial a plea was made for immediate action toward increasing the employability of tens of thousands of unemployed Canadian men and women by improving their skill, physique and morale. It was urged that the problem must be tackled on a national scale with the co-operation of industry and of every community, and that behind it must be an adequate employment administration organized if possible around a federal nucleus. Such a scheme was suggested by the National Employment Commission six months ago but has never been acted upon.

In view of the national importance and urgency of this job of rebuilding men now unemployed or on relief, and in view of the wide interest this subject has aroused, The Post publishes herewith extracts of some of the comments and suggestions received during the past few days.

Sir Robert Falconer, Toronto—"Your editorial is very timely. You have touched on an important matter.

"We are surely past the stage of meeting unemployment by relief doled out. Rehabilitation is necessary. But this must be done by experienced persons.

"It is really a process of re-education—not on a mass scale but individually. For this, wise guidance arising out of past failures is needed. This matter should be very carefully considered by groups of interested and capable persons and you have done well in drawing attention to it."

• • •

E. G. Baker, President, Moore Corp. Ltd., Toronto—"I think your editorial strikes a note that should be sounded.

"The work of rebuilding men back into useful employment is not only desirable from the human standpoint but in my opinion is essential to take care of the increased demand for competent workmen. Already it is becoming difficult to get suitable men for some skilled trade."

• • •

Dr. George C. Pidgeon, Bloor Street United Church, Toronto—"The figures you give are startling. I had no idea of the exact situation. I quite agree with the recommendations and I think it is splendid to have a paper like yours publishing articles of this sort."

• • •

J. B. Tyrrell, President, Kirkland Lake Gold Mining Co., Toronto—"For years, we have, in a half-hazard way been training men to be idle and inefficient and now very few of them are able to do continuous work or even any work at all. Hardly any of them can now pass the medical and physical test imposed by law before they are allowed to be employed in our mines.

"A year of physical training such as was given for our soldiers who went to the war would do wonders for most of them as it would put them in condition to be useful men."

C. L. Burton, Robert Simpson Co., Toronto—"I like your editorial 'A Job to be Done' very much.

"In 1935 I prepared a memorandum on the subject of the re-establishment of Canadian youth. At this time, the unsatisfactory single indigent unemployment camps were in operation. They have since been disbanded but the problem of the training and employment of youth is still a burning and embarrassing problem.

"I have been greatly pleased with the work of the Purvis Commission especially their suggestion that training work should be done for these young people."

• • •

Dr. Richard Roberts, Sherbourne United Church, Toronto — "I hope very much you will continue to hammer away on this particular need and all I can say is 'more power to your elbow.'

"I have been very deeply interested in the work of rehabilitation which is being done in Great Britain and it would be a very great help I think if you could publish something about the experiments in the industrial areas which have been hardest hit in Great Britain and notably South Wales."

• • •

A. C. Ellison, Mayor of Regina—"I was greatly interested in your editorial of Oct. 16. It is a matter which I have given close study and I am in complete agreement with the two things you consider needed.

"In Regina, we have about 2,000 heads of families on relief, approximately 800 of these are unemploy-

(Continued on page 2, col. 1)

Hydro Loads Point to Gain By Gatineau

Continuation of Rise Would Mean Buying More Power

NEW HYDRO HEAD?

Continuation in September of growth of primary load in the Niagara system of the Ontario Hydro suggests the possibility that further increases in firm purchases of energy from Gatineau Power Co. may be made this year. It will be recalled that in the late months of 1936 the Hydro increased its purchases from Gatineau under contract by 40,000 h.p.

Among the increases in Hydro primary loads in September, the Niagara system (25-cycle power) had a gain of 98,000 h.p., or 10.9%, and the eastern Ontario system (60-cycle power) one of 10,000 h.p. or 9.7%. Due to use of a frequency changer between the two systems, and completion of a new transmission line from Ottawa to Trenton, it is now possible to switch Ottawa Valley power between the two.

This year, the Hydro's power supplies for the Niagara and eastern systems have been increased by 96,000 h.p. by the new contract with Ottawa Valley Power Co. The amount of the increase is moderated by the flow of water in the Ottawa River which has been rather low. Another factor in the position is that the Trent Valley system which supplies power to eastern Ontario has also had periods of low flow. The effective increase from Ottawa Valley in the Niagara system therefore has been less than 96,000 h.p. That is, considerably below the combined rise of about 108,000 h.p. in the primary loads of the Niagara and eastern systems.

Whether the same rate of increase in loads will carry through to November and December, the annual peak months for power consumption, depends partly upon continuation of high industrial activity. If the September percentage increases were carried through into December, it would mean a combined increase over last year of about 127,000 h.p. in the eastern and Niagara systems. Against this must be set the higher supply from Ottawa Valley.

Peak load of primary power was 1,061,528 h.p. in the Niagara system in December, 1936, and 119,715 h.p. in the eastern Ontario system.

Power and Personnel

The situation is not dissimilar from last year when the Hydro's Gatineau contract purchases were increased. The outcome is important to Gatineau Power Co. which gets $12.50 for power taken "firm," compared with only $1.75 per horsepower for energy held in reserve for

(Continued on page 4)

Belgo-Canada Pact is Seen

Move to Exchange Ministers Reported Under Consideration

From Our Own Correspondent

OTTAWA.—There is a strong likelihood, sources close to the Federal Cabinet intimate, of important trade and diplomatic developments in the near future between Canada and Belgium.

A twofold project, these informants state, is before the ministry. It calls for the negotiation of a new trade treaty, and for the appointment to Belgium of a Canadian Minister Plentipotentiary, with rank equal to that of Canada's existing ministers to the Uited States, France, and Japan.

If this dual proposal is ratified the name of Colonel George P. Vanier, at present secretary in the High Commissioner's office in London, England, is mentioned as the likely choice for appointment as minister.

Pressure for negotiation of a new trade treaty with Belgium comes largely from the Belgians themselves. They are dissatisfied with the existing balance of trade. Though Belgium already receives the most-favored-nation treatment, which in practice means the intermediate tariff, the sales of Belgium to Canada are only approximately one quarter of Canada's exports to Belgium.

The Belgian Government has indicated that this situation is not satisfactory and the belief in administrative circles here is that unless arrangements can be made to admit a larger volume of Belgian imports, the favorable tariff treatment now afforded by Belgium to Canadian exports may be modified or abrogated.

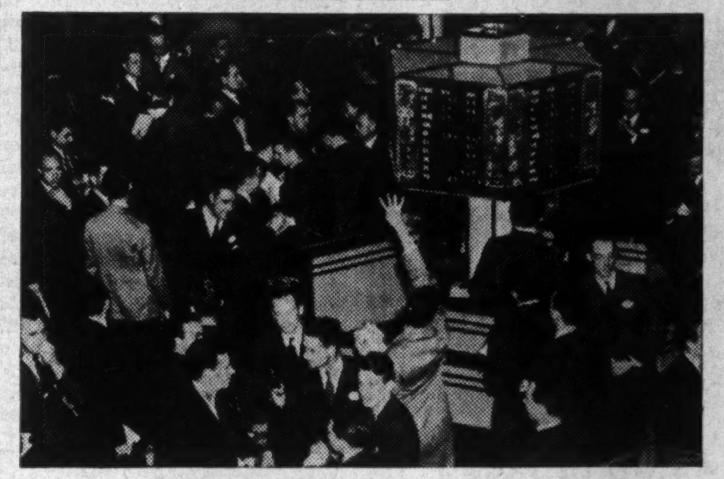
In the last fiscal year Canada's exports to Belgium totalled $23,435,884; while Belgium's exports to Canada only reached $6,695,535.

Principal items in the Canadian total were: wheat, $19,000,000; zinc ore, $815,000; asbestos, $438,000; zinc spelter, $291,000; rye, $146,000; apples, $90,000; canned salmon, $64,672; silver bullion, $158,000.

Principal items in the Belgian total were: rolling mill products, $855,000; unset diamonds, $787,000; common window glass, $560,000; plate glass, $450,000; wool waste, $193,000; coal, $174,000.

Experts of the Department of Trade and Commerce are engaged in a careful study of the tariff structure with a view to devising concessions which the Dominion can give, without inflicting serious injury to Canadian interests.

Stock Panic Forecasts Slump But Seen as too Pessimistic



Panic selling on the stock market. A scene on the Toronto exchange Tuesday when prices dropped sharply.

Recovery of Market During Brief Business Decline Possibility

The latest panicky decline of stocks has carried prices down to levels that appear to discount the adverse effects on investments of a sharp decline of industrial earnings.

The experience of 1929-1932 made it only too clear that when a major depression is starting stocks can go down to fractions of their boom prices. But if the pause in business, which is widely forecast, turns out to be one of comparatively brief duration, it may be that it has already been allowed for by the fall of stock prices. If so, there would be the possibility of rising share prices while a business pause or recession is in progress.

The present stock market situation is based partly on fears of another 1929. The result is that the caution of investors who have been dubious of rushing into the falling market has permitted prices to shrivel. In other words the lessons of 1929-1932 appear to have had the effect of permitting a severe decline in stocks; and the final result may be that markets may complete the downward swing more rapidly than if there had been steady and stubborn resistance against the tide of liquidation.

Buyers and Sellers

Trading of millions of shares on American and Canadian markets this week with a halt in the decline of prices has important implications of a change in the trading situation. It indicates that there were enough bargain hunters buying stocks to absorb forced sales without further lowering of prices.

Just who the buyers have been is one of the many stock market mysteries. It is suggested that investment trusts were in the market, but many trusts have been rather heavily invested in common stocks for the past two years. They have reduced their holdings of Government bonds over the past three years, but have still held some liquid bonds as reserve buying power. Possibly the fact that Government bonds weakened in the latest decline reflects raising of cash to buy stocks. It may also mean, of course, necessitous liquidation to protect stocks already bought.

Characteristic of stock market psychology, there are clouds of pessimism in financial districts following the decline of prices. This contrasts with the prevailing optimism in January and February of this year when prices were reaching the highest levels since recovery started in 1932. It would be bold to say that the pessimism is just as overdone now as the optimism was at the beginning of the year; but the very fact that prices have fallen so far means that stocks are more attractive for investment returns now than they were seven months ago.

Disillusioned Buyer

"The disillusionment of inflation buyers."

Such is the brief description by a Canadian economist of what he believes to be the background of the decline of stock prices of the past two months which finally developed panic proportions.

Deep significance is seen, in this interpretation, in the collapse of share prices. Ever since the reflationary money and credit policies of 1933 we have been headed in the direction of inflation. But where many investors went wrong, it is claimed, was in expecting the effects of inflationary money policies to be felt quickly in sharply advanced prices for commodities and stocks.

What has happened, says this analyst, is that there has been a rise of commodity prices such as is normal in a period of marked business recovery, rather than a pronounced inflationary development.

To put the present stock market and business situation in perspective, it is necessary to go back to the depths of the depression in 1932. Then, the necessitous liquidation from the 1929 boom had been pretty well completed and even at the low dividend rates of that period remarkably high yields were available on stocks. There came in 1932 an ordinary turn in the market decline and big business began to take a more constructive attitude toward recovery of lost ground. Government priming of the credit pumps, in Canada, the United States and Great

(Continued on page 5)

Disappointment Seen Key to Stock Slump

Vulnerable Market Hit By Lower Profit Outlook For Business

By KENNETH R. WILSON
Staff Writer, The Financial Post

NEW YORK. — Panic-stricken Wall Street was more than ready for the selling avalanche that descended early this week. Even as late as Friday of last week few could be found who would hazard a guess that the market had hit bottom.

A senior partner of one of the leading brokerage firms reported that within recent days a few important buying orders for large blocks of key stocks had come in but for the most part these were at prices that had not then been reached.

The "trader" of this same firm shook his head when asked if his reading of the ticker gave any indication of support at then existing levels. This same man expressed the view that the "safest" stocks on the board, in his opinion, were the senior Canadian golds.

Foresee No Major Depression

Most opinion lends support to the view expressed recently in The Financial Post that as yet there is no evidence of a major business recession ahead although it may be four to six months before the next forward move occurs.

The two-months headache that it is hoped has reached a climax this week has been a belated realization on the part of Wall Street that business profits and volume during the last half of the year were going to be disappointing. In the first half of the year business volume was high — much higher proportionately than profits. Much of this business was advance buying with purchasers hurrying to get ahead of rising costs. This took the edge off manufacturing profits, which were further hampered by rising wage and material costs.

Toward the end of August the gilt was off the gingerbread and the news found speculative markets weak and vulnerable due in considerable measure to the "thinness" created by New Deal restrictions, profits, taxes, etc. For almost two months receding values have anticipated the sort of bad news like lower steel production which finally hit the market squarely in the eye this week. Confidence and optimism momentarily gave place to fear and pessimism, with share prices in rapid retreat until the trend of future

(Continued on page 4)

Motors Facing Crucial Year

Market Crash, Business Uncertainty Greet New Models

By GORDON L. SMITH

DETROIT. — Car makers are watching the stock market every bit as keenly as the margin speculators this week. Their 1938 models are just ready to be offered to the public and much depends on the immediate action of the stock market as to how well these will sell. Much also depends on the stock market as to how well recent price increases will stick and what sort of new prices can be set for the big three in the low price group.

Delicate Situation

Even without the added worry of a stock market slump car makers were in a rather delicate situation this year. Costs had risen sharply, labor and raw materials both being materially higher than 12 months ago. Moreover labor troubles were still a threat though in recent weeks steadily less likely.

To prepare the way for the new cars this fall most prices had been gingerly advanced a month or so ago. Increases on the whole were insignificant, about 5% in most cases, but sufficient to test sales resistance, if any, and possibly pave the way for the passing along of higher costs when the new models would be introduced.

Hold Further Increases

Now, although still higher prices have been announced on several of the medium and higher priced lines there is hesitation about further advances in the big three—Ford, Chevrolet and Plymouth. In some quarters it is now believed that there will be no further increase in Ford's last summer raise of 5% for several months.

Avoid Drastic Changes

There will be no drastic changes in design of new models. It costs millions in new stamping machinery and in new dies to make the slightest fender change and probably up to $50 millions to radically alter the design of any of the popular selling cars. Makers have not hesitated to

(Continued on page 2, col. 8)

Stirrings of Discontent Felt in Conservatism

Bennett-McRae-Hogarth Leadership No Longer Satisfies Rank and File of Party

BY A POLITICAL CORRESPONDENT

The present fight for the control of the Conservative Party is perhaps the most important in its history. It is of very great importance to all serious Canadians who love and have a stake in their country and who feel the need at this time, as never before, of a sound, safe, country-before-party opposition.

On one hand is the Bennett-Hogarth mining group who sidetracked Howard Ferguson just as he was about to relinquish the Ontario premiership to Hon. Charles McCrea, in order to assume the Dominion leadership which the party generally planned for and expected.

Country Before Party

On the other side are the followers of this Ferguson-McCrea group and the great mass of younger Conservatives and Independents who favor a man of the Colonel Drew type as leader, should Mr. Ferguson be unavailable and who put country before party.

In 1927 a wealthy group abandoned Mr. Ferguson and organized to make Mr. Bennett instead of Mr. Ferguson the national Conservative leader in succession to Mr. Meighen. They were headed by Major-Generals A. D. McRae and D. M. Hogarth and some others who had become close friends working in the Canadian Army Supply Department in London during the war, and who later were also associated in profitable mining promotions in Ontario.

Mr. Ferguson, no doubt much disappointed and seeing that the Winnipeg convention was so well organized, refrained from making the fight which his followers wanted, and stood loyally by Mr. Bennett. His supporters no doubt anticipated that Mr. Bennett would call him to the Cabinet as second-in-command when the Conservatives were returned, as they were in 1930, and thus have him ready to succeed him in case of accident.

General McRae had been promised the High Commissionership in London; had been looking forward to it and talked freely about it in party circles.

Mr. Bennett surprised and grievously disappointed both. It was said that the first intimation Ferguson had that he would be sent to London and not taken in the Cabinet was given out by Mr. Bennett in a press dispatch from the steamship on which he was returning to Canada.

Mr. Ferguson; forgiving and forgetting, went to London. But at

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Highlights

Gun Toting

Canadian laws regulating carrying and use of firearms are important in preserving law and safety. Page 8.

Slum Clearing

Toronto has a housing rehabilitation by-law which is raising standards without cost to the taxpayer. Page 12.

Averaging Up

Should the investor in mining shares seek to recoup by buying more at lower prices? Page 28.

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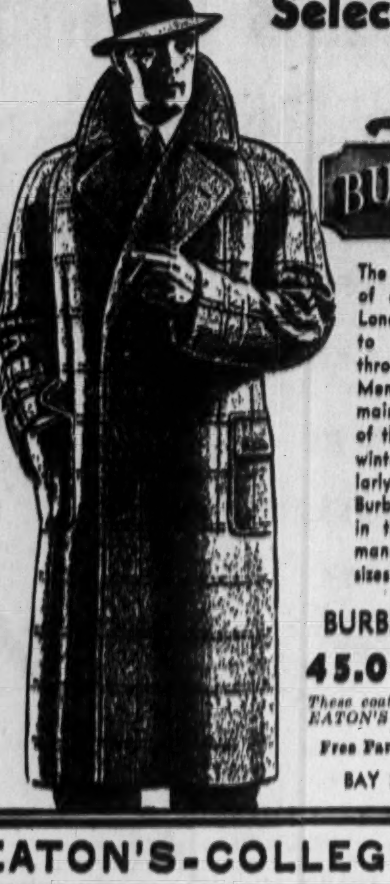

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BAY STREET SECTION

EATON'S-COLLEGE STREET

A Job to be Done

(Continued from page 1)

able or only capable of light work. Another 800 are employable but most of them require three months rehabilitation work to restore them to full efficiency. A balance of 400 require a longer period of rehabilitation work from six to eight months. I have recently suggested a definite plan to be followed in this municipality to meet our needs."

* * *

Senator Arthur Meighen, Toronto—"I am in general agreement with your editorial 'A Job To Be Done' though I am not at all clear that there should be a duplication of employment agencies throughout the Dominion. I can see no reason why provincial agencies should not be utilized. It would seem wise to get Mr. Purvis' opinion on this point for no doubt he has thought the subject through.

"The providing of employment by public works is wrong 95% of the time. It is the most expensive possible way of maintaining the unemployed, save in the very rare exception of the public work being a real necessity and itself productive.

"What is needed is economical government with consequent reduced taxation and encouragement to individual initiative and private industry."

* * *

A. O. Dawson, Canadian Cottons Ltd., Montreal—"It is quite evident you have been doing some constructive thinking about the unemployment situation. All schemes looking toward the improvement of conditions should be submitted to Mr. Purvis and if possible receive his approval before launching of same.

"I congratulate you on the effort you are making to bring about a better state of affairs in this regard."

* * *

C. C. Jones, President, University of New Brunswick—"This subject is of very great importance. A preliminary step should be investigation of the possibility of finding types of work for which these men might be trained. Steps should also be taken to re-establish their morale by providing proper living conditions and if possible, sound physical training.

"The whole question needs careful preliminary investigation. It would be a mistake to rush into the matter with half-digested plans as in the case of the recent sum voted for the training of youths. I am heartily in sympathy with the idea that it is first necessary to rebuild the men and find jobs. Everyone interested in the future of Canada should support such a project."

* * *

W. H. Carter, Carter-Halls-Aldinger Co., Winnipeg—"Rehabilitation of unemployed men is a matter of national importance and should receive the earnest consideration of our Federal Government. But any apprentice system for rehabilitation of unemployed men without a compulsory feature, will, to my mind, be only partly successful.

"About a year ago a committee appointed by the Winnipeg Board of Trade, of which I was chairman, studied and reported on policies and projects for putting men to work. We have been complimented highly on this report particularly by Mr. Purvis, who felt it contained many practical and feasible suggestions and should receive serious consideration from the Government in dealing with this great problem."

* * *

Prof. J. P. Day, McGill University, Montreal—"The call in your recent powerful editorial for some action to be taken to improve the employability of the former wage earner still out of work is one which should rally public opinion to its support. It was, no doubt, wise, and in the long run, economical for the Government to start with the youth retraining plan but I think you are doing a public service in raising so forcibly the question as to whether we are to rest content with that and to disregard the further recommendations of the National Employment Commission.

"If, as has been asserted, there is developing a shortage of skilled labor in certain occupations it would seem to provide a sound opportunity both to train and employ some of those at present out of work. The plans to be adopted, which, as you rightly point out, would have to be flexible enough to meet local needs, involve meeting many difficulties; questions, for example, of justice as to whether it is fair to equip at public expense an unemployed man with a skilled technique which many an employed unskilled worker would be glad to get; considerations of the danger of flooding a skilled trade to the detriment of wage rates and so forth.

"Nobody, I imagine, supposes a rehabilitation programme to be either simple or easy but even if the unwisdom of some hasty, grandiose and extravagant efforts should be apparent it still seems unnecessarily fainthearted and supine to do nothing and try no experiments, however carefully thought out, guarded and limited."

* * *

Dr. Horace L. Brittain, Director, Citizens Research Institute of Canada—"I have read with great interest your editorial 'A Job To Be Done.' There is no doubt in my mind that steps toward rehabilitation work should have been started long ago but possibly the intervening period of incubation was necessary to prevent great waste.

"Retraining of entrants into industry should effect great savings but, if not properly controlled, will simply be an additional expense. I think the control should be Federal with co-operation of the provincial authorities within each province. In fact it seems to me that it is becoming clearer that the whole problem of unemployment relief lies primarily in the Federal field. I can see no reason why a national unit should not be set up for the creation of standards and the study of general policies with the co-operation of organizations in each province interlocking with the Federal organization to obtain provincial co-operation and retain provincial interest. With this, of course, should go a relatively small but still substantial share in the total cost.

"In order to retain the local touch so necessary in all welfare work, regional committees should be set up within each province dovetailing in membership and work with the provincial board and the Federal board.

"Unemployment rehabilitation and unemployment relief are just one of the many fields in which Canada should have a nation-wide policy. Municipally, provincially and federally, Canada has suffered from sectional and ward politics. If we are not to break up into a loose association of jealous provinces we must seize every opportunity to promote national integration."

Beattie Grade Shows Effect of Landslide

An operating profit, before taxes and depreciation, of $177,621 is estimated by officials of Beattie Gold Mines, Quebec producer, for the three months ended Sept. 30, 1937.

Operations during the period were normal, except that as an aftermath of the slide which occurred in June, no mining has yet been possible in the east glory hole, and the grade has suffered somewhat thereby.

Construction of the roasting plant is reported practically completed, and should be in production toward the end of this month.

Quarterly Earnings
3 Mos. ended Sept. 30

	1937	1936
	$	$
Gross metal production ..	587,227	589,216
Less: Marketing chgs. ..	109,878	102,142
Net inc. from production .	477,349	487,074
Less: Operating costs	299,728	289,809
Operating profit*	177,621	197,265
Tons of ore milled	154,330	139,520

*Before taxes and depreciation.

The Nation's Business

(Continued from page 1)

genesis when a huge campaign contribution of several hundreds of thousands of dollars was made to the Democratic party war chest. Subsequently the C.I.O. through the American Labor party have been taking an active part in local elections, notably in New York and Detroit. In the latter city their candidates made almost a clean sweep of the recent primary elections.

Add to this influence the weight and prestige of the three million workers who claim allegiance to A.F. of L. and the possibilities of a solid block of at least six or seven million labor votes become of tremendous importance. Even if these combined union forces do not enter the field of national politics directly it can easily be seen that they would virtually hold the balance of power in any federal election with far-reaching results for good or ill. Eventually this force might be directed toward similar ends in Canada.

If the two unions come together it is thought probable that a dual control plan will be evolved whereby C.I.O. on the one hand will be granted jurisdiction over industries which lend themselves to industrial unionism, leaving older established "craft" industries to the A.F. of L. Whatever plan is evolved the need is clear for adequate legislation both in the United States and Canada to ensure that union operation and leadership be properly controlled and made responsible for its actions and membership.

* * *

A Bad Tempered—and Inaccurate—Attack

CHILDISHLY bad temper is displayed by a daily construction paper in Toronto in a comment on The Financial Post. As the editor has by now probably regretted his display of spleen we shall not embarrass him by mentioning the name of his paper.

The editorial says:

"The Financial Post has never been friendly to construction, and has never acknowledged the industry's function as an economic force and provider of employment. On the other hand it has sought consistently, both directly and by innuendo, to belittle its importance."

The statement is false, libellous and entirely uncalled for. What inspired it, we cannot say. Perhaps it was jealousy of The Post's preeminence in the field of business; perhaps the editor had merely had a bad egg for breakfast and was feeling sour on things.

The Post has been "friendly to construction, and it has acknowledged the industry's function as an economic force and provider of employment" during more than 30 years of continuous publication or, in other words, for nearly two decades before its junior contemporary even came into existence.

Pressed Metals Sales Higher

Sales of Pressed Metals of America Inc., for the first nine months of 1937 have been almost double those for the corresponding period of 1936. Actual sales figures released show $3 millions in the first three quarters of this year against $1.6 million in 1936, an increase of $1.4 million. Sales for the final quarter are estimated at $1 million which would bring the year's total to $4 millions.

During the third quarter inventories were increased about $200,000 in anticipation of the demand from automobile manufacturers during the fourth quarter of the year.

The company has received final approval from the Securities and Exchange Commission to the offer of rights. Shareholders are to be given the opportunity to purchase one new share at $25 for each ten shares now held The issue, if fully subscribed, would net the company about $310,000.

Stirring of Discontent Felt in Rank and File Of Conservative Party

(Continued from page 1)

Ottawa they say General McRae did not forgive and forget and was not a popular figure during the Bennett régime. His place as Conservative party manipulator and dictator was then taken by General Hogarth, who, with plenty of money, made a good job of organizing and filling the Ontario Conservative Convention with friendly votes for his nominee as leader, Hon. Earl Rowe, one of Bennett's ex-ministers. But Colonel Drew, coming in at the last moment, nearly upset the plans.

Catholics Alienated

The first Conservative fight came in a by-election in a strongly Orange constituency. The Hogarth-Rowe policy was regarded as mainly anti-Roman Catholicism as represented by the party's stand on Separate Schools. The Conservatives won in a brilliant fight. But that policy lost the Conservative party the Catholic vote in the later general election—a vote hitherto held largely by the Conservatives under the fair-minded Ferguson. It is now having very serious repercussions in other provinces among Roman Catholics as well as growing groups of Protestants who are becoming friendly to the Separate Schools.

Then came Premier Hepburn's fight to block the C.I.O.-Communist effort to control Ontario labor.

Colonel Drew, the Conservative organizer, agreed with Mr. Hepburn but failed to carry the Hogarth-Rowe-Bennett combination and resigned. Soon after, according to the usually authentic gossip one learns at the Albany Club, Toronto, Drew was approached to join a proposed "national"—not a union—government, which would not only clean up the C.I.O. situation but a number of very serious taxation problems, due to overlapping and wasteful and unsatisfactory conditions imposed on the province by the previous Conservative Government and which the Hepburn Government was more or less compelled to follow. Col. Drew was assured that he would be given the Attorney-Generalship and later, on the retirement of Hepburn, the premiership. Col. Drew replied to these representations that Mr. Rowe, not he, was the leader of the Conservative party and that the proposals should be made instead to Mr. Rowe. They were.

Blocked by Bennett

Mr. Rowe went at once to consult Mr. Bennett. Mr. Bennett strongly opposed any alliance. On his return, a conference was held at the Albany Club, with Gen. Hogarth, Mr. Henry and certain other old-time Conservatives. But Mr. Ferguson and Mr. McCrea were ignored, causing considerable comment among members who knew what was going on. Premier Hepburn's appeal for the getting together of the good men of both parties was definitely and sharply turned down.

The subsequent overwhelming defeat at the election and current doubts as to the wisdom of Dominion policies have created a demand for new organizations and new leaders who will work and fight in the national rather than in petty party interests.

The old crowd are trying to retain control. But even the Tory ultra-loyalists of the Albany Club, including the type who boast of never having cast a Liberal vote, are now expressing marked discontent with the present party control. Particularly they feel that the greatest mistake in the party's history was made when the present leaders turned down Mr. Hepburn's proposals for the clearing up of many provincial and national problems, so many of them unnecessary, one of which is ever-increasing taxation that hampers development and that particularly discourages mass employment. They argue that two or three years hence they could have gone to the country as a well-organized party with a greatly enhanced reputation, with good chances of winning in the Dominion as well as in Ontario.

Victoria Plan Action Needed

Committee Hopes to Have Plan Ratified in Time for November Legislation

Victoria debenture holders' committee has prepared a circular giving all details of the refinancing plan suggested for the city. This plan must be approved by holders of 51% of the city's debt to become effective.

It is intended to include the plan in a special act of the British Columbia legislature. Next session of the legislature begins in the immediate future and is expected to finish toward the end of November. The committee, accordingly, is urging all debenture holders to signify their approval of the plan as quickly as possible.

The committee has consulted with creditor interests in the United States and Great Britain and made an extensive investigation of the city's financial position. As a result of its studies, the committee is convinced that some relief must be provided.

Population Drops

Victoria's population is 37,500 compared with 39,082 five years ago. Although the city's properties and works have been kept in fair condition, substantial extensions and replacements are likely to be needed soon.

Total taxes levied by the city were $1.7 million in 1935 and $1.9 million in 1931. During this period government grants were reduced from $125,000 to $47,000, sundry revenues dropped from $328,000 to $267,000, debt charges increased from $1.2 million to $1.3 million, and cost of relief and social services to the city was $1.7 million compared with $299,131 in the period from 1926 to 1930 inclusive.

A revenue deficit of $609,000 was suffered in 1935. In 1936 an increase in the tax rate from 41 to 45 mills and an increase in assessment of 5% were not sufficient to prevent a deficit of $595,000. A practical limit has been reached for taxation and it is necessary that taxpayers be given some incentive to continue to hold their properties. Taxable assessment has fallen from $43.9 millions in 1932 to $37.5 millions in 1936. Tax collections of $8.4 millions in the five-year period from 1931 to 1935 have failed to equal total taxes levied of $9.2 millions in the same period.

Economies Made

Every effort has been made to reduce expenses and operating expenses, exclusive of schools, hospital and library, were $786,000 in 1935 compared with $911,000 in 1930.

Accumulation of current liabilities in excess of current assets has now reached a point where the city is pressed for ready money to meet its annual commitments. It cannot continue to borrow further sums for current requirements, let alone make provision for principal repayments on the present basis.

The plan provides for the exchange of present debentures for new 30-year debentures which will bear the same rates of interest as the old debentures until present maturity dates and thereafter 4½% until paid. The new debentures will be callable and provision will be made for regular retirements. Until 1940 the city will have the option of providing interest only but beginning with that year must set aside an annual sum to retire the total of debentures by Dec. 31, 1976, ten years later than actual maturity dates of the new debentures.

United Front Presented By Newsprint Firms On 1938 Price Plan

(Continued from page 1)

L. Jones, president of Price Bros. and Co.:

"We do not look upon Great Northern as a price criterion because its entrenched financial position apparently affords it sources of income not available to the normal newsprint producer to whom a price of $50 a ton is now a barely livable level.

"As far as Price Bros. and Co. is concerned, our price is $50 for the first six months of 1938. We haven't determined our price for the second half of the year but there is every evidence of a necessary increase because of continued advance in all our expenses."

Colonel Jones also is head of Mersey Paper Co., an important producer on the Atlantic coast, and undoubtedly its policies will be the same as Price Bros. and Co.

Cullen Sticks to Guns

International Paper Co., largest newsprint producer on the continent, also takes a firm stand on the question of next year's price. R. J. Cullen, president, in response to an enquiry from The Financial Post, said:

"It is public knowledge that International Paper's contract price for newsprint has been fixed for the first half of 1938 at $50 New York.

"All costs entering into the manufacture of newsprint are still increasing. While International is not in a position to announce at the present time the price for the last half of 1938, its policy of naming a price as far in advance as possible will be continued."

Belnap Support Expected

L. J. Belnap, president of Consolidated Paper Corp., one of the largest operators in this country, stated: "Our price for the first half of 1938 will be $50, as stated last spring, and in view of rising costs we do not see how a reasonable increase can be avoided for the last half of the year."

Show Solid Front

The opinions of other Canadian operators are similar. There is a pronounced determination to see that the $50 price is enforced.

Great Northern's action in "cutting" the price below the rate announced by the Canadian manufacturers is regarded here as not being based on costs of manufacture and a reasonable return on capital, as much as a move on the part of Great Northern to consolidate further its position with the American publishers. The publishers have been aided immeasurably by Great Northern's price policies in the last two years.

The reaction to Great Northern's announcement was, on the whole, very favorable. The price set was better than had been anticipated. Further, the fact that it was only $2 a ton less than the previously announced price by the majority of Canadian and American operators indicates that the industry was not seeking too great an increase at this time. Again the uncertainty over what Great Northern might do was eliminated, making possible a more comprehensive examination of the situation.

Act to Lower Stocks

The second development of importance during the week and of possibly greater significance than Great Northern's price announcement was the admission by the Canadian operators that steps were being taken to reduce the visible supply of newsprint, a supply which—as pointed out exclusively by The Financial Post—was growing dangerously large.

Price Bros. and Co., Canadian International Paper and others have announced that they will adopt a five-day week for the time being or until stocks are brought down to what can be regarded as normal proportions in relation to current consumption. Others have agreed to close down one or more machines.

There is no means of telling how long the Canadian mills will have to restrict output to reduce stocks to a more normal level. The September output resulted in a further gain in stocks. But as individual action was not taken by the manufacturers until this month, no reduction in stocks can be expected until toward the end of October. Just how effective the new plan is will be known about the middle of November, when the complete October returns will be available.

Will Lift Pressure

Present indications are that Canadian newsprint production for the balance of the year will be off from 10 to 20% as compared with the returns for the same period in 1936.

This should mean that manufacturers are going to keep a close watch on deliveries to publishers, who have been piling up stocks in anticipation of a price advance.

Publishers' stocks of newsprint in the United States at the end of September were 480,314 tons, or 57 days' supply, compared with 273,071 tons, or 34 days' supply in September, 1936.

In view of the $5.50 a ton advance announced by Great Northern, which can be regarded as an absolute minimum for the whole industry, the publishers are going to continue to take all the newsprint they can buy till the end of the year.

If they are not restricted—and it is an easy matter for the manufacturers to determine when a publisher is buying more than he requires for immediate or near term consumption—the publishers' stocks by the end of the year will be larger than ever before reported.

Publishers Offended

This means that during the first quarter publishers will use up these reserves, rather than take delivery of new paper at the higher price. While the majority of publishers have undoubtedly stocked up with just such an idea in mind, some of the larger consumers have been motivated by the idea that by using these stocks and refusing to take delivery of paper at the higher price they can break the stand taken by the manufacturers to enforce a higher price.

The attitude taken by the American Newspaper Publishers' Association on the stand taken by the Canadian and other American operators to demand $2 a ton more for 1938 newsprint deliveries than is being asked by Great Northern, is set out in a statement issued by the Association. He says:

"If the statements of the officials of International Paper Co., Price Brothers and Abitibi are to be believed, their customers will be penalized $2 a ton for the first six months of 1938 and an indefinite amount for the second six months."

The statement also said that no reason was given for this "amazing programme" except by C. H. L. Jones, president of Price Brothers, who was quoted as having said "We do not look upon Great Northern as a price criterion because its entrenched financial position apparently affords it sources of income not available to the normal newsprint producer to whom a price of $50 a ton is now a barely livable level."

The statement continues: "This announced programme of Canadian manufacturers provides the final and clinching reason, if it were needed, to convince United States publishers of the vital importance of placing a major proportion of their newsprint purchases with mills operating within the United States, from overseas mills not bound by cartel agreements with Canadian manufacturers and giving substantial support to the early development of newsprint manufacture from southern pine."

Securities Slump Badly

Marketwise, the newsprint stocks have "taken it on the nose." There is no doubt that uninformed or ill-advised enthusiasm ran the value of newsprint stocks and bonds up to a level which was not justified by the improvement recorded and the outlook for the industry. There was too much speculative buying based upon exaggerated reports of prospective earnings. However, the correction which has taken place in market values in the past several weeks probably has gone too far in a number of cases.

For the first time in many months it is possible to make a comprehensive survey of the industry, where it stands, prospects, etc. The bad points, as well as the good points, are known.

While the over-supply of newsprint and the moderate decline in consumption and Great Northern's price policy are properly classed as unfavorable factors, there is the other side of the picture.

Bond and stock values have been deflated. It cannot be said with any assurance that they have reached bottom, still they have dropped a long way from their speculative "highs" and now bear closer relation to actual production and earnings.

Reflect Mistaken Policy

This year, reports of the Canadian operators are going to be disappointing, despite the advance of $1.50 a ton over the 1936 price level and the increase in production. The disappointment will be due to higher costs which the industry let itself in for when it prematurely set the price for 1938 deliveries.

Despite this adverse factor, the income accounts and financial statements of the operators will make better reading for investors. Moreover, the reports will give a clearer conception of what costs are likely to be next year. This will eliminate much of the guesswork that has been going on in respect to newsprint earning power and provide for a sounder base in arriving at the value of newsprint stocks and bonds.

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James Wilson Promoted To Manage Shawinigan

From Our Own Correspondent

MONTREAL.—James Wilson, formerly secretary, has been appointed general manager of Shawinigan Water & Power Co. He is also a vice-president.

Other important staff announcements are as follows:

P. S. Gregory, J. B. Challies, R. Beaumont and John Morse are assistant general managers.

H. G. Budden has been made secretary and remains assistant treasurer. Norman Woods is appointed assistant secretary. Cecil Heming has been appointed chief accountant.

Dome Recovery Shows Slight Drop in 9 Mos.

In the first nine months of this year, Dome Mines, Porcupine producer, treated 429,500 tons for a gross recovery of $5,636,735, preliminary estimates issued by the company show. Recovery per ton in this period works out to about $13.12, slightly below the 12 months average in 1936 of $13.21 per ton.

Estimated Earnings
9 Mos. ended Sept. 30, 1937

	$
Bullion production	5,636,735
Less: Devel. operat. & gen. exps.	2,122,233
Taxes	540,211
Outside explor. w/o	3,337
Est. operating profit	2,970,954
Add: Non-oper. income	305,844
Est. net profit*	3,276,798

*Before depreciation, depletion and adjustments.

Production

Tons milled	429,500
Fine ounces gold	150,776
Recovery per ton	$13.12

Friendly, helpful banking service . . . backed by the experience, resources, organization and reputation of 119 years of successful banking operation.

A MILLION DEPOSIT ACCOUNTS DENOTE CONFIDENCE

BANK OF MONTREAL
ESTABLISHED 1817
HEAD OFFICE MONTREAL
TOTAL ASSETS IN EXCESS OF [illegible]

DIVIDEND NOTICES

The Royal Bank of Canada

DIVIDEND No. 201

NOTICE is hereby given that a dividend of two per cent. (being at the rate of eight per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter and will be payable at the bank and its branches on and after Wednesday, the first day of December next, to shareholders of record at the close of business on the 30th day of October, 1937.

By order of the Board.
S. G. DOBSON,
General Manager.

Montreal, Que., October 15th, 1937.

The Canadian Bank of Commerce

Dividend No. 203

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 30th November, 1937, and that the same will be payable at the Bank and its Branches on and after Wednesday, 1st December next, to shareholders of record at the close of business on the 30th October, 1937. The Transfer Books will not be closed.

By Order of the Board,
A. E. ARSCOTT,
General Manager.

Toronto, 15th October, 1937.

SIMPSONS, LIMITED

Preference Dividend No. 24

NOTICE is hereby given that a Dividend of One Dollar and twenty-five cents per share on the outstanding paid up six and one-half per cent Cumulative Preference Shares of the Company is declared payable on November 1, 1937, to shareholders of record at the close of business on October 23, 1937. The transfer books will not be closed.

FRANK HAY,
Secretary.

Toronto, October 13, 1937.

Foundation Petroleums Limited

Notice of Distribution

Notice is hereby given that a distribution from production will be paid on or after the 20th day of November, 1937, to shareholders of record on the 31st day of October, 1937, such distribution to be paid from production up to and including 31st October, 1937.

By Order of the Board of Directors.
F. P. BYRNE,
President.

October 14, 1937.
Calgary, Canada.

Loblaw Groceterias Co. Limited

NOTICE is hereby given that a quarterly dividend of 25 cents per share and a bonus of 12½ cents per share on the Class "A" shares, and a quarterly dividend of 25 cents per share and a bonus of 12½ cents per share on the Class "B" shares of the Company have been declared for the quarter ending November 30th, 1937, payable on the 1st day of December, 1937, to shareholders of record at the close of business on the 10th day of November, 1937. Payment will be made in Canadian Funds.

JUSTIN M. CORK,
Secretary.

Toronto, October 12th, 1937.

Bay-Adelaide Garage, Limited

Funds have been deposited to meet payment of Coupon No. 11 (due October 15, 1932) on and after October 15, 1937, of its issue of 6½% First Mortgage Bonds maturing October 15, 1947.

A. M. HARNWELL,
Secretary.

St. Laurent

The village of St. Laurent, Que., has sold a $30,000 issue of 4% 15-year bonds to the Provincial Bank of Canada.

Motor Manufacturers Facing Crucial Year

(Continued from page 1)

make refinements in the new models now appearing; they have changed fenders and radiator fronts; they have added still more width to the front seats. But vital changes in engines, chassis or other main parts are rare.

By keeping new machinery costs down funds have been conserved. Plant and equipment in any automobile factory on this continent never grows really old. It is doubtful whether there is a single important production machine in the whole of Detroit or in the Windsor area, or in Oshawa that is five years old.

Testing Time at Hand

Manufacturers planning a year's production have to estimate sales in advance. If the situation turns out as expected then there is a small profit per car but if not there may be a large profit or a huge loss.

"If we can get through the next two and a half months," one big motor executive stated in Detroit this week, "we are not going to worry about the rest of the season."

John W. Hobbs Elected Huron & Erie Director

John W. Hobbs, Toronto, has been elected a director of Huron & Erie Mortgage Corp. Mr. Hobbs is president of Continental Life Insurance Co., Consolidated Plate Glass Co. of Canada and a director of other concerns. He is already a director of Canada Trust Co. which is controlled by Huron & Erie Mortgage Corp.

Investment Notes

	Bid	Asked
Can. Amer. Trust	2.90	3.40
Can. Invest. Fund	3.30	3.65
All Can. Trustee	11.00	11.60
Trans Canada	10.80	....
Grouped Income	4.55	5.05
Can. Equity	12.00	....
Can. Int. Tr., modified	5.00	5.50
Do., unmodified	4.50	5.00

DIVIDEND NOTICES

Dominion Bridge Company, Limited

DIVIDEND NOTICE

A Dividend of THIRTY CENTS (30c) per Share has been declared on the No Par Value Shares of this Company for the Quarter ending 31st October, 1937, payable 15th November, 1937, to Shareholders of record at the close of business on the 30th October, 1937.

By Order of the Board,
F. W. EVENS,
Secretary.

Montreal, Que.,
19th October, 1937.

Quebec Power Company

NOTICE is hereby given that a dividend of twenty-five (25c) cents per share has been declared on the no par value common shares of the Company for the quarter ended September 30th, payable November 15th, to Shareholders of record October 25th, 1937.

By Order of the Board,
JAMES WILSON,
Secretary.

Montreal, October 18, 1937.

Hollinger Consolidated Gold Mines Limited

DIVIDEND NUMBER 298
EXTRA DIVIDEND NUMBER 39

A regular dividend of 1%, and an extra dividend of 1%, making 2% in all, have been declared by the Directors on the Capital Stock of the Company, payable on the 4th day of November, 1937, to shareholders of record at the close of business on the 21st day of October, 1937.

DATED the 14th day of October, 1937.

I. McIVOR,
Assistant-Treasurer.

McIntyre Porcupine Mines LIMITED

(No Personal Liability)

DIVIDEND No. 76

Notice is hereby given that a dividend of ten per cent. (10%) on the Company's Capital Stock will be paid in New York funds on December 1, 1937, to shareholders of record at the close of business on November 1, 1937.

By order of the Board.
BALMER NEILLY,
Treasurer.

Dated at Toronto, October 14, 1937.

Twenty Outstanding Stocks

To meet the desire of our clients for current information on a well diversified list of representative Canadian stocks for investment, we have prepared a brief analysis and summary on *twenty leading companies, with comments in each case on the outlook.*

Pamphlet covering the entire list will be sent on request.

MARA & McCARTHY

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The Toronto Stock Exchange — Montreal Curb Market
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Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Dominion—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Canada Treasury Bills	Oct.	....	...	Jan. 14, '38	$25,000,000	99.826	....

London Calling

by Atticus

London's most famous newspaper feature, the "Atticus" column of The Sunday Times, is now a regular weekly feature of The Financial Post. Before the present writer who remains anonymous, took over, the column was written by T. P. O'Connor, famous Irish publicist, Margot Asquith and John Buchan, now Lord Tweedsmuir.

LONDON.—Many years ago the late Tim Healey, in one of his expansive, after-dinner moods gave me some interesting advice. "If you go into Parliament," he said, "take up a cause and make it entirely your own. You might, for example, campaign for 'larger turnips.' Speak only on larger turnips even when the debate is on foreign affairs. Become a bore with one idea. Then there will eventually be a time when there is much confusion of counsel in the affairs of state, a period of shifting sands. A cry will arise for a leader with fixed principles. Someone will point at you. 'Look at him,' he will say. 'He has never departed from his larger turnips.' They will then make you Prime Minister."

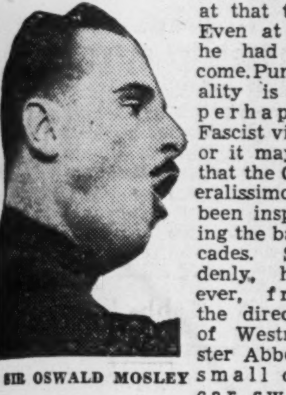
These golden but unheeded words of the grand old Irish firebrand came to my mind last Sunday when I decided to investigate first hand the savageries of Sir Oswald Mosley's march into South London. As an example of "l'idée fixe" it would be difficult to improve on Mosley. Under the bludgeoning of fate he adheres to his turnips even if they grow smaller instead of larger.

The gathering of the army took place at Millbank with the vanguard reaching a point just between Richard Coeur de Lion and Oliver Cromwell. There were many banners, a convoy of lorries full of police, and assorted platoons of Fascists drawn from both sexes.

• • •

The Leader

I regret to report that although the procession was due to start at three o'clock there was no sign of Der Fuehrer at that time. Even at 3.30 he had not come. Punctuality is not perhaps a Fascist virtue or it may be that the Generalissimo had been inspecting the barricades. Suddenly, however, from the direction of Westminster Abbey a small open car swept into view. Seated beside the driver and with a sort of concentrated ecstasy on his face was Sir Oswald in a grey suit and a black shirt.



SIR OSWALD MOSLEY

A delighted cheering and an almost equally delighted booing broke out. The game had commenced. Everyone smiled including the police. A beating of drums was heard and the army stepped out with Il Duce well up in the forward section marching with that expression which only comes to a man who has a fixed idea.

Simultaneously the badinage of the London crowd broke out. "Why don't you join the army and learn to march proper?" shouted one woman. A huge figure of a man in the crowd brandished his clenched Communist fist. "What have you got in there?" shouted a Cockney from the ranks, "a crab?" The clenched fist slowly unclenched and its owner moved away. A young woman of striking plumpness marched past with her sister Amazons. "'Ello!" bellowed a costermonger. "When does the balloon go up?"

I do not advance these as gems of wit but merely to rouse sympathy for Sir Oswald. Dictatorship in a nation of caricaturists is a more difficult end to achieve than larger turnips. My wife and I were turning away much stimulated by the pantomime, when a young man confronted us. He wore glasses, was dressed like an undergraduate and his voice was faintly reminiscent of Oxford and Cambridge with a slight suggestion of Professor Laski.

"What do you care, you smug bourgeois," he said, with a soft intensity, "providing you are comfortable?

Proving once more that in this modern world the innocent spectator is never safe.

Mr. Hepburn Wins

While this silly business was taking place in London the Liberals in Ontario were preparing to march through the broken ranks of the Conservatives. My colleague Autolycus remarked last Sunday that students of politics would be interested in the result of Wednesday's provincial election. They should be. If portents mean anything Mr. Mitchell Hepburn is Canada's man of destiny and he will, at his own time, undoubtedly make a move to seize the leadership of the Federal Liberal party.

PREMIER HEPBURN

Mr. Hepburn has the advantage of the nickname "Mitch," by which he is known even to his enemies, and a nickname in Canada is the equal of a pipe in Britain. When I was in Toronto in August I saw the campaign posters of Old Man Ontario shaking hands with the young premier and saying: "Thank you, 'Mitch.' Carry on." That was better than the logical but uninspiring "Safety First."

Unlike most politicians in North America Mr. Hepburn has a colorful personality. He enjoys the company of men and women. Like General Chiang Kai-shek he has been known to stay up late on more than one occasion. Precedent means little to him although Ontario is the most traditionally minded province of Canada. Like President Roosevelt he is a political improvisatore. He experiments with legislation in order to find a law that will meet the situation. Last year he decided that the death duties on many rich men's estates had been settled on a false basis by his predecessors. His enemies said that he was raiding the graves. That is possible but the dead are giving up their gold.

Mr. Hepburn was accordingly branded as a Communist and there was much rejoicing among the extreme Left. His answer to that was to drive Lewis' C.I.O. American agitators out of Ontario at the point of the revolver. The prophets said that he would be defeated by organized labor when he next went to the country. His rejoinder was to hold an immediate election, two years before it was due. He won last week by 63 to 23 and even carried Oshawa, the centre of the trouble where he fought the C.I.O. It is not often wise to prophesy but I predict two things: that Ontario will be the liveliest province in Canada and that Mr. Hepburn will eventually become Prime Minister of Canada.

• • •

Engaged

Even in these days of dull regimentation the engagement of a Douglas to a Percy must strike a romantic chord in the most democratic heart. If there be any Scots who look upon the coming marriage of Lord Clydesdale and Lady Elizabeth Percy as a concession to the hated Sassenach let them take comfort. The Duchess of Northumberland, the mother of Lady Elizabeth, is a daughter of the seventh Duke of Richmond and Gordon. Further than that, the Highland blood of the Campbells also runs through the veins of Lady Elizabeth, for her paternal grandmother was a daughter of the Duke of Argyll. Let Scotia then take heart. This is not so much a capitulation as a repatriation and it ends a feud comparable with that of the Montagues and the Capulets.

Those who know Lady Elizabeth say that she is good-looking and charming. If she carries herself at her wedding with anything like the grace of her mother at the Coronation she will be the bride of the year. Lord Clydesdale, I have known for many years as a sportsman, an airman and a colleague in the Commons. Unlike his mother, the Duchess of Hamilton, he is not one who takes readily to words. When he speaks in public he is both brief and modest. A cinema company at heavy expense sent a unit with him to Mount Everest but the most they could get out of him after he had flown over it was: "It was a good job of work." Once I dined with some friends who included the Marquess of Clydesdale and Mr. Tunney, who had just won the world's heavyweight boxing championship. Never have I seen hero worship more clearly in a man's eyes than when the amateur boxer talked to the champion. Mr. Baldwin or Mr. Lloyd George could not have inspired in him that earnest adulation. So must the youth of Athens have gazed at the master, Pericles.

Some men influence their generation by words and others by example. Lord Clydesdale's activities have been an inspiration to the young men of Britain. As heir to high position he has accepted to the full the responsibilities of birth. A Wing Commander in the Auxiliary Air Force, an all round sportsman and a tireless worker for the increase of playing fields for the people, and a conscientious member of Parliament who is constant in attendance and possesses sound judgment—this is indeed a man.

• • •

Tweedsmuir's Tour

Readers of his books know how Lord Tweedsmuir must have enjoyed the prodigious tour he took this summer. He loves travel, and in 66 days he saw more of the Dominion in one series of journeys than any Governor-General before him. By airplane and train and steamboat and canoe and on horseback he and Lady Tweedsmuir covered 12,000 miles in northern and western Canada.

LORD TWEEDSMUIR

One of the duties of the Governor-General, I believe, is to write a weekly letter to the King; and we may be sure that in this way His Majesty will have a vivid account of this wonderful tour. One hopes that convention will not prevent John Buchan from some day telling us the story in a book. It would be vastly interesting, not only to his admirers here but to all the peoples of the Empire.

His friends often speculate whether his pen is still busy. It is hard to believe that he is quite happy unless it is. He began writing books while he was at the University; and, although he did much else in business and journalism, there was a steady flow of books afterward—novels, essays, histories, biographies, poems, even finance ("The Taxation of Foreign Income," published in 1905). Many of these books were written for the time and will be forgotten, but there are some that will last; it will not be easy, for example, to displace his Life of Cromwell. They say that writing comes easy to him. Good writing, I believe, is never easy. The secret of John Buchan's long and varied list of books is that he is always in training and never wastes time.

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Quebec Power Records Gain

Third Quarter Shows Higher Gross and Net Income

From Our Own Correspondent

MONTREAL. — Quebec Power Co.'s gross and net revenue for the quarter ended Sept. 30, 1937, shows an increase over the same period last year. This reflects, in part, the operation of the Ste. Anne paper mill which has provided increased traffic for the company's subsidiary, Quebec Railway, Light and Power Co.

During the past quarter the company received an income of $1,090,547, as against $1,109,668 last year. Surplus of $345,291 before depreciation and income tax compares with $312,955 last year.

Show Larger Surplus

Comparative figures on income for the third quarter of 1937-1936, respectively, follow:

Consolidated Statement of Revenue and Expenses
Three Months Ended Sept. 30

	1937 $	1936 $
Gross revenue	1,090,547	1,019,668
Operation, taxes and other expenses	590,334	553,757
Exchange on bond int.	728	822
Net oper. revenue	499,485	465,089
Fixed charges	145,358	152,134
Amort. of bond prem. discount & expense .	8,836	......
Surplus*	345,291	312,955

*Before depreciation and income taxes.

Cumulative Gain $37,000

Cumulative returns for the nine months ended September show gross revenue of $3,028,976, as against $2,866,102 for the like period in 1936. Higher taxes and other charges cut into the gain, but net revenue available for interest charges, depreciation, etc., was higher than a year ago. The surplus, before depreciation and income tax, totalled $829,178 compared with $792,205 for the first nine months of 1936.

Comparative earnings for the third quarter follow:

Nine Months Ended Sept. 30

	1937 $	1936 $
Gross revenue	3,028,976	2,866,102
Operation, taxes and other expenses	1,714,455	1,613,912
Exchange on bond int.	2,359	3,586
Net oper. revenue	1,312,162	1,248,604
Fixed charges	449,623	456,399
Amort. of bond prem. discount & expense .	33,361	......
Surplus*	829,178	792,205

*Before depreciation and income taxes.

You may control your property and escape the burden of management

MANY persons of means — both large and small — desire to be freed from the tedious details of management and still retain control of their property.

Our "Agency Service" will accomplish this satisfactorily for clients.

Let us explain.

Crown Trust Company

Executors :: Trustees :: Financial Agents

MONTREAL
393 St. James Street

TORONTO
80 King Street West

Let us serve you and your family

Fanny Farmer Sales, Profits Up

Fanny Farmer Candy Shops Inc. reports sales in Sept., 1937, $80,528 higher than in the corresponding month of 1936, an increase of 18.9%. Profits in Sept., 1937, were $68,288, an increase of $10,162, or 17.5%, above the same month in 1936.

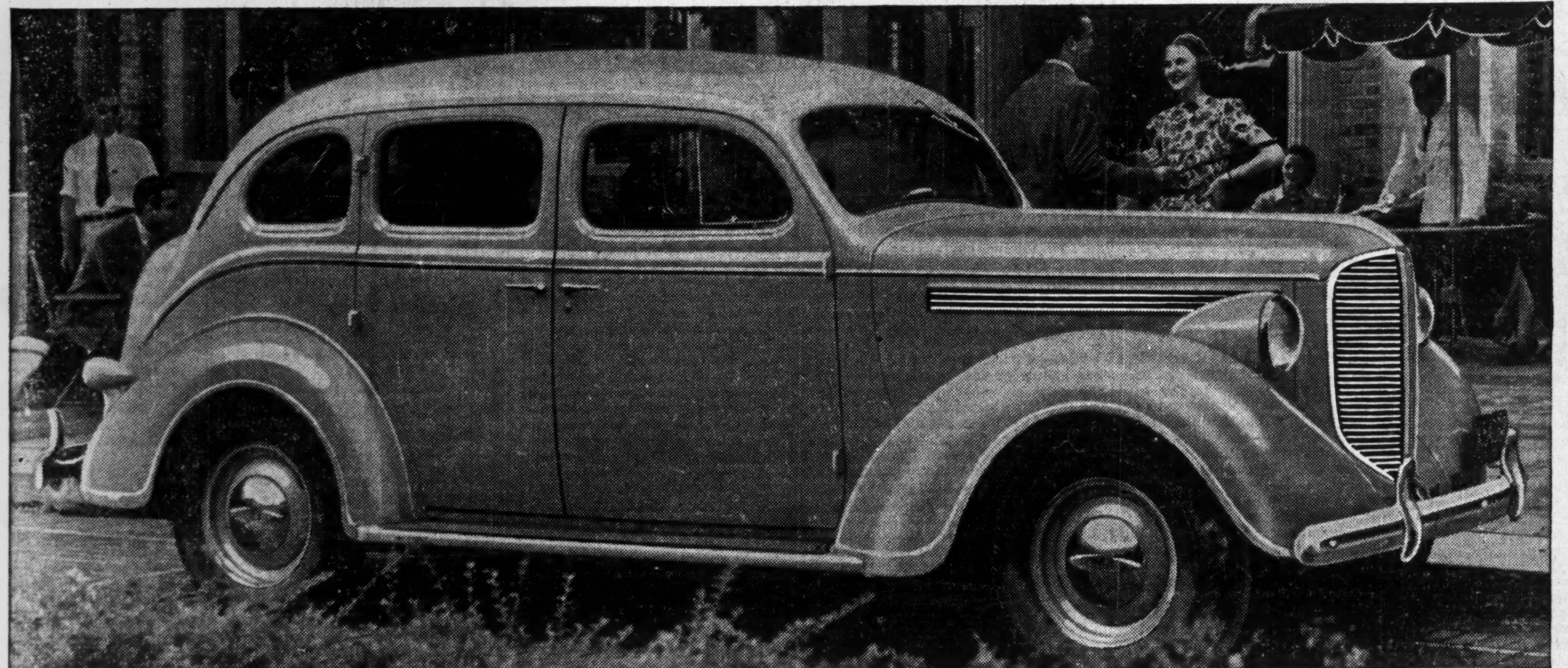
Sales of $4.3 millions for the first nine months of 1937 are $651.986 higher than in the 1936 period while profits have been $467,773 in 1937 to the end of September, an increase of $126,060. This is equivalent to $1.19 a share for the period.

A complete review of the company and sales and profits figures for previous months will be found in the special food section of this issue. Actual sales and profits figures for September and the nine months follow.

Sales and Profits

	1937 $	1936 $	Incr. %
September:			
Sales	504,393	423,865	18.9
Profits	68,288	58,126	17.5
Nine Months Ended Sept. 30:			
Sales	4,314,243	3,662,256	17.7
Profits	467,773	341,713	36.8

1938 DODGE HERE TODAY TO SAVE YOU MONEY!



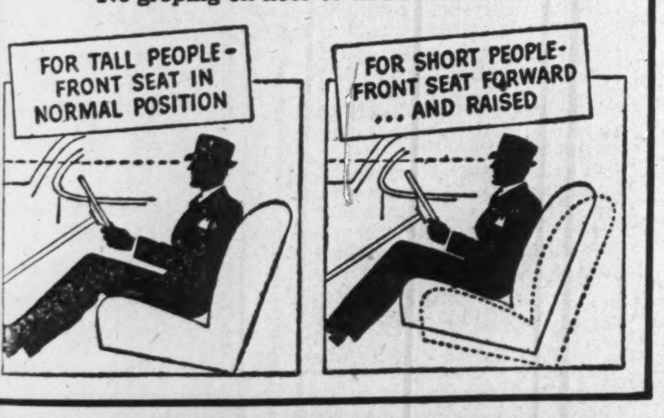
1938 Dodge Custom Six, Four-Door Touring Sedan

..... 47 REFINEMENTS AND IMPROVEMENTS MAKE THE NEW DODGE MORE BEAUTIFUL ... EASIER TO OPERATE ... SAFER!

Amazing Economy Features that are leading thousands to *"Switch to Dodge"* will save your money too!

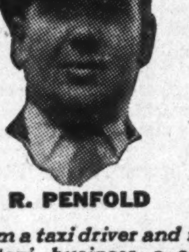
There are three lines of new 1938 DODGE cars for you to choose from ... THE DODGE CUSTOM SIX ... THE DODGE DE LUXE SIX AND THE DODGE SIX which will be priced right down among the lowest priced cars!

WHETHER YOU'RE TALL OR SHORT you get perfect driving vision ... A new method of adjusting the front seat raises it 1¼ inches as it comes forward. New adjustment lever is located within easy reach on side of seat. No groping on floor or underneath seat.



HANDBRAKE NOW LOCATED ON DASH ... MORE FLOOR SPACE IN THE FRONT COMPARTMENT ...

LET THESE SATISFIED OWNERS TELL YOU WHY A DODGE IS THE BEST CAR FOR THEM!

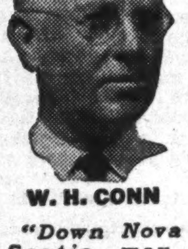


R. PENFOLD

"I'm a taxi driver and in the taxi business a car has to stand up under all weathers, and on all roads. Taxis get tough usage—but Dodge can take it. I've been driving Dodge standard Sedans in taxi work for three years. My passengers remark on the comfort of Dodge—and as far as driving it is concerned, Dodge handles nicely, even in heaviest traffic. My newest Dodge has been on the road only a few weeks, but it has everything I would want in a car."

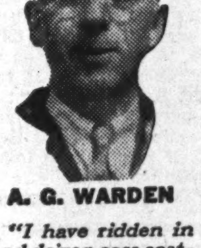
J. M. DUGGAN

"In over 30 years of driving, in which time I sat at the wheels of cars of a dozen different makes, I have never driven one I like as well as my 1937 De Luxe Sedan . . . I saved money in gas and oil when I switched to Dodge. From 20 to 24 miles to the gallon is about my average, depending on speed and trips."



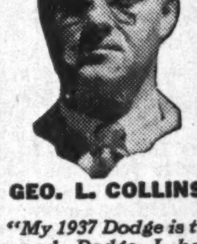
W. H. CONN

"Down Nova Scotia way, motorists compare cars on their ability to take the hills. When a car handles the hills, they say it is a 'good lugger'. I'm driving a Dodge now after driving other makes, and I want to say my 1936 Dodge is the best 'lugger' I've ever seen."



A. G. WARDEN

"I have ridden in and driven cars costing two to three times as much as Dodge, but I can't see, after driving Dodge Custom Sedan 1937 model since last February, where they do any better than Dodge. Dodge certainly excells other cars in its price class. Dodge is the most car for the money."



GEO. L. COLLINS

"My 1937 Dodge is the second Dodge I have had, driving them approximately 35,000 miles a year. I find Dodge economical, dependable, comfortable particularly on long road trips, and in short everything to be desired. I average 22 miles to the gallon over the course of a year's driving, including high speeds, city calls and all kinds of roads. I am more satisfied with Dodge than any other car I have ever used."

EVERYONE who has seen these new Dodge cars hailed them as, by far, the most beautiful cars Dodge ever built.

They agree that here are cars which fairly sparkle with a new type of beauty . . . distinguished and distinctive! Just look at the windstream sweep of its new front end ... the striking new radiator grille ... modern hood louvres ... headlamps partly recessed in wide, flaring fenders! Here is massive sturdiness that will win every man . . . graceful styling that will appeal to every woman!

But not alone for beauty will these new Dodge cars be acclaimed! In keeping with the great engineering background which is a Dodge heritage, these 1938 cars offer no less than 47 progressive improvements and refinements to give you greater value than ever!

New 1938 "Relaxed Driving" control which results from easier steering, easier clutch and brake action, easier gear shifting, easier starter pedal action than ever before!

New quiet "Airglide Ride" due to improvements in body insulation and sound-absorbing rubber body mountings! . . . Patented Floating Power engine mountings, still further improved!

There is no safer car to drive than a Dodge ... All-steel safety body ... Dodge equal-pressure hydraulic brakes ... safety glass all around—and for 1938 the windshield permits better vision!

These new Dodge cars are *big* cars. Lots of leg and elbow room ... easy to get in and out of, due to low level floors . . . Trunks have 22% more carrying capacity. But most important of all, these new 1938 Dodge cars have, in addition, every one of the proved money saving features which have caused owners to report 21 to 27 miles per gallon of gas—savings up to 20% on oil—plus additional savings on tires, lubrication and upkeep.

See and drive one of these new 1938 Dodge cars *now!* Learn how you too can join the Dominion-wide *"Switch Parade"* and save money!

Switch to a **BIG, BEAUTIFUL MONEY-SAVING DODGE**

Investment Trends

Panic In Markets Puzzles Investors

Difficult to Determine Whether "Bargains" Are Genuine; Characteristic of Decline, Opinions Become More Cautious

There is supposed to be a zone of support for common stock prices somewhere in the vicinity of the new low levels reached in panicky trading this week. In the course of the fall of stocks since mid-August, however, support has been weak, and sellers have found buyers only by pushing prices down and down.

In looking for support, the investor may note that for every transaction on the stock exchanges there is a buyer for each seller. Hence, the willingness of buyers to invest, as compared with the anxiety of sellers to liquidate, is measured in prices. There are price levels at which sufficient numbers of bargain hunters should enter the stock market and provide the buying power to absorb the sellers' offerings without further decline. After that occurs, only time will tell whether the "bargains" are real ones.

The seriousness of the decline is shown by its extent. Montreal Stock Exchange index for industrials has fallen a maximum of about 45%. Toronto Stock Exchange industrial share average has dropped about 40% below the year's high. In New York, averages for industrial shares are down 35% or more from their peaks. It wipes out a lot of paper money. But every major decline lays a foundation for new profits for the longer term investor who gets genuine "bargains."

The difficulty of being sure of real cheapness in the stock market is apparent in the fact that most observers have been looking for a rebound of prices, at least of a temporary nature, for two or three weeks. And those who bought stocks at the lows of September have suffered losses.

Market Opinions, "If"

The further stocks have fallen, the more cautious have opinions become. Among some of the "if" viewpoints are these:

Stock Exchange Gazette, London:

"If in the circumstances a major trade reaction is now developing, it must be one of the strangest phenomena known to economics."

The Annalist New York:

"If the present panic in Wall Street subsides, the effect may be comparatively limited; but if it continues much longer the effect may be severe."

Investors' Chronicle London:

"If Mr. Roosevelt does not quickly announce a rearmament programme of some magnitude, we shall perforce abandon our stubbornly held view that there is no need for a world trade depression."

* * *

Rather Buy Than Sell

About as far as the seasoned observer cares to go is one opinion recently expressed as follows:

"There is reason for believing that current levels represent better buying than selling opportunities . . .

"In any event, current levels on the basis of technical probabilities appear unattractive from a selling standpoint."

One of the optimistic ways of looking at the stock market decline is to remember that when things are bad there is a general tendency to expect something even worse. One experienced market commentator puts it: "A turn in the tide will probably come when 99% of observers have given up looking for it."

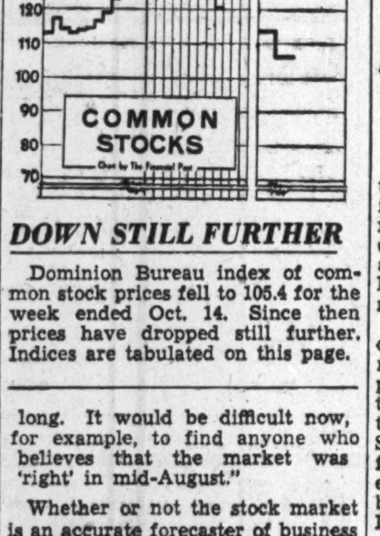
* * *

Effects of Slump

On the other hand, there is no doubt that the severity of the slump of stocks is sufficient to suggest a substantial recession in business. That is, taking the common interpretation that stock market movements forecast economic conditions. But do they? There is a lot of doubt on this point, and views on this subject that have recently been expressed in The Financial Post are similar to those of G. R. Robinson writing in the New York Annalist, who comments:

"Possibly the old saying that 'the market is always right' should be taken with reservations. It may be argued, indeed, that if the market were not usually wrong there would be little point in either buying or selling. It is 'right' only when prices refuse to move in either direction; and in recent years that accuracy of appraisal has seldom lasted very long. It would be difficult now, for example, to find anyone who believes that the market was 'right' in mid-August."

Whether or not the stock market is an accurate forecaster of business conditions it is generally recognized that a sharp slump of prices injures retail business, particularly in "luxury" lines like radios and automobiles.



DOWN STILL FURTHER

Dominion Bureau index of common stock prices fell to 105.4 for the week ended Oct. 14. Since then prices have dropped still further. Indices are tabulated on this page.

* * *

Re Abitibi Plan

The impact of opposition of shareholders to the Abitibi reorganization approved by majority bondholders will appear in the courts. Collin Brooks, who has been a spokesman for common shareholders, states that the plan of the Drayton Committee would be satisfactory to the common, and also to large independent holders of preferred stock.

The legal fight, therefore, promises to see the Bondholders' Defensive Committee headed by Sir Henry Drayton, representatives of shareholders, and also the liquidator of the company, in opposition to the plan of the Bondholders' Representative Committee.

The Sault Daily Star in criticism of the Abitibi proceedings urges speedy reorganization and expenditure of the capital funds on rehabilitation of plants for the benefit of northern Ontario municipalities like "the Soo" where Abitibi has mills. This view seems to be more in favor than against the plan of the Representative Committee. Yet the Star also urges a truce which does not seem probable under the plan.

Significant Investors' Index Numbers

1926 = 100

	Mach. and equip.	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied prod.	Beverages	Bldg. mater.	Power and traction	Banks	Total utilities	Total co's.
No. of Securities	8	6	4	4	10	13	7	14	15	9	19	96
1929-36:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	205.4	281.1	197.6	131.7	166.0	196.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	47.1	63.1	36.9	43.3
1937:												
Jan.	156.3	37.2	119.6	229.6	77.3	184.2	141.0	197.0	91.1	94.4	68.5	137.4
Feb.	163.4	36.7	120.7	235.2	78.5	188.2	139.3	203.5	97.5	96.7	73.1	142.4
Mar.	168.3	40.2	127.0	247.7	80.2	190.0	141.8	213.4	94.7	95.9	71.0	147.2
Apr.	157.5	47.1	117.4	230.4	78.9	182.4	133.4	204.8	85.1	94.0	64.1	136.2
May	151.3	38.5	109.4	229.6	77.5	178.5	128.4	188.4	84.0	92.7	63.0	132.2
June	148.1	38.2	103.7	220.2	77.7	177.7	131.0	179.6	84.1	92.3	63.2	128.4
July	148.0	40.5	102.0	222.6	79.7	182.1	136.1	188.7	88.0	90.2	63.9	133.0
Aug.	151.2	40.4	95.2	223.6	79.5	182.0	136.9	192.7	90.4	89.9	65.2	135.2
Weekly Figures, 1937:												
Sept. 2 ..	144.0	37.7	95.6	223.4	78.6	179.0	133.4	185.1	85.8	89.6	62.4	130.9
Sept. 9 ..	134.3	32.4	92.7	210.7	76.0	172.4	123.9	168.3	79.4	88.2	58.1	122.7
Sept. 16..	123.3	29.9	89.3	203.8	74.8	166.2	118.9	158.8	78.1	86.7	57.2	119.8
Sept. 23 ..	120.2	28.3	89.2	203.8	73.0	165.6	117.8	156.3	78.5	85.1	57.2	117.6
Sept. 30 ..	113.9	26.1	86.6	199.8	70.4	161.9	114.2	144.5	77.1	82.5	56.0	113.7
Oct. 7 ...	116.2	26.5	78.4	204.8	71.7	162.3	113.8	145.1	76.8	82.6	55.8	113.6
Oct. 14 ...	107.3	22.4	72.8	196.0	71.2	161.4	107.5	136.8	72.8	82.4	53.0	108.1

*High and low for years from 1929 to 1936 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Oct. 19	102.93	102.05	102.93
Oct. 18	117.45	103.22	108.19
Oct. 16	124.23	108.00	115.16
Oct. 15	123.55	106.90	116.37
Oct. 14	128.72	106.70	121.25
Oct. 13	129.22	111.79	122.42
Month ago ..	144.14	113.42	139.39
Year ago ...	150.69	137.60	158.70
High, 1937 ...	187.67	168.59	215.36
Low, 1937 ...	110.63	102.05	102.93

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Oct. 19	65.1	66.2	65.9
Oct. 18	66.3	68.0	67.4
Oct. 16	67.5	71.3	70.0
Oct. 15	67.5	71.3	70.0
Oct. 14	69.9	73.0	71.9
Oct 13	70.8	76.6	74.7
Month ago	73.6	87.3	82.7
Year ago	76.3	87.6	83.8
High, 1937	92.5	122.3	109.5
Low, 1937	65.1	66.2	65.9

INVESTMENT SECURITIES
NESBITT, THOMSON & COMPANY, LIMITED
355 St. James Street West, Montreal
Branches in the principal cities of Canada

Dom. Woollens Profits Higher

President Indicates That Bond Interest Will Be Paid Jan. 1

Present indications are that holders of Dominion Woollens & Worsteds, Ltd., 6% first mortgage bonds will receive the six months interest which will become due on Jan. 1, 1938, according to a statement from A. O. Dawson, president The trust deed requires that no interest can be paid before this time if such payment reduces working capital below $1 million. The company's working capital was $732,000 at June 30, 1937.

Interest accruing on and after July 1, 1937, however, is a fixed charge, payable semi-annually, with the first payment on this basis becoming due on Jan. 1, 1938.

Directors have changed the company's fiscal year end from June 30 to Dec. 31, and the annual meeting will not be held until some time after Dec. 31, 1937.

Margin Over Bond Interest

A statement for the 12 months ended June 30, 1937, shows that operating profit, before allowing approximately $110,000 for depreciation or making any provision for bond interest and income taxes, was around $217,000. This compares with $108,393 for 1936. Bond interest requirements of $63,510 a year accrue from July 1, 1937.

The statement sent to shareholders and bondholders indicates that the company has on its books a larger amount of unfilled orders than it had a year ago. Except for the strike at Peterborough, which lasted about eight weeks, it is stated that the outlook would be most favorable.

Capital replacements amounting to $96,000 were made to the company's plants in the past year.

Hydro Loads Point To Possible Gains In Gatineau Earnings

(Continued from page 1)

the Hydro. There is 120,000 h.p. held in reserve by Gatineau. Besides that reserve, the large sources of fully developed power that might be available to the Hydro are Maclaren-Quebec Power and Beauharnois.

Reports of further changes in Hydro personnel continue to attract nearly as much attention as the power situation. It will be recalled that it was forecast last summer that the chairman of the commission, T. Stewart Lyon, would resign that office this year. Dr. T. H. Hogg, chief engineer, was mentioned as a possibility for the chairmanship. If Mr. Lyon retires, it will mean that the whole three-man commission will have been changed this year.

Following the Ontario election, Hon. W. L. Houck, Niagara Falls, and Hon. J. A. Smith, Kitchener, were appointed to the Hydro Commission. They occupy the places formerly filled by A. W. Roebuck and Hon. T. B. McQueston.

Mr. Houck has special interest in Hydro, as he represents the constituency in which major power plants are located. It is understood that he will be the chief Hydro spokesman in the Legislature. He is a minister without portfolio in the Hepburn Cabinet.

Mr. Smith is vice-president of the Ontario Municipal Electric Association, whose member municipalities for years have been clamoring for representation on the provincial Hydro board. His knowledge of the Ontario Hydro's municipal relationships was obtained first hand as a member of the Kitchener Hydro board.

Plans for Future

Perhaps the most significant feature of the appointments is that the Government is choosing men who have had close interest in Hydro operations.

It is understood that plans for development of more power within Ontario are to be considered attentively by the recast commission. The Hydro is building a new plant on the Musquash River to provide more power for the Georgian Bay system which hitherto has been drawing from the Niagara system 7,000 to 10,000 h.p. Another proposal that would relieve the power loads in the Niagara and eastern systems is development of power sites on the Madawaska River. It has been estimated that sufficient power could be developed on that waterway to supply the entire eastern system load.

The Ontario Hydro's September power loads were:

Ontario Hydro Loads
Maximum 20-Minute Peak Horsepower

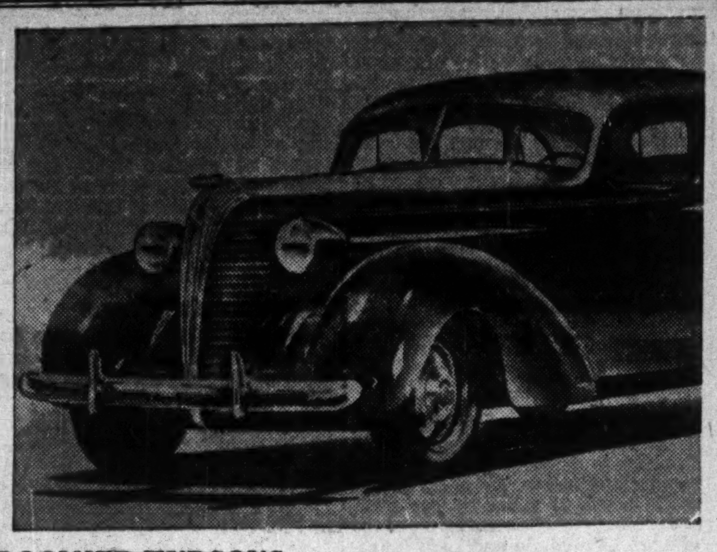
System	Sept. 1937	Sept. 1936	Incr. %
Primary Load:			
Niagara	997,587	899,598	10.9
Eastern Ont.	116,743	106,408	9.7
Georgian Bay	32,063	26,139	22.7
Thunder Bay	88,003	75,168	17.1
Northern Ont.	122,971	96,863	27.0
Total	1,357,367	1,204,176	12.7
Primary & Secondary Loads:			
Niagara	1,108,579	981,233	13.0
Eastern Ont.	116,743	111,414	4.8
Georgian Bay	32,063	26,139	22.7
Thunder Bay	129,584	125,335	3.4
Northern Ont.	163,587	158,793	3.0
Total	1,550,556	1,402,914	10.5

Investment Notes

Corporate Investors Ltd.—In announcing the new price policy for Corporate Investor shares, City & Dominion Co. comment on the market outlook as follows: ". . . .we look upon the decline in stock market and commodity prices as a secondary or counter movement within the long term upward trend, and we have considered it a healthy and much needed corrective of the too rapid speculative advance which occurred early in the year. However, we consider that the reaction has been carried to extremes by psychological factors."

* * *

Gair Company of Canada Ltd.—The company has outstanding $1,117,000 of 6% first mortgage bonds, due April 6, 1956. These bonds, which are the only first mortgage bonds that Gair Company of Canada can issue and are secured by all the fixed assets of the company, were issued to Dominion Envelopes Ltd., along with cash consideration, for the four companies which the latter company sold to Gair Co. In the Financial Post issue of Sept. 25, 1937, it was indicated that Dominion Envelopes accepted the 6% income bonds of Robert Gair Co., Inc., but it is now learned that it was this first mortgage issue.



ROOMIER HUDSONS

Hudson dealers are stressing the fact that this is the third year for the automatic shift on their cars. Another feature emphasized is the double braking system, a set of mechanical brakes that come on automatically if for any reason the hydraulics fail. The 1938 models now making their first appearance come in new fronts, completely redesigned and roomier interiors. Above is the Hudson-built Terraplane sedan.

Disappointment Key to Slump

(Continued from page 1)

business (and profits) is more clearly established.

Constructive Forces

What then are the constructive forces at work which might bring about a reversal in sentiment?

For one thing there is the automobile outlook. If fall sales and demand for new 1938 models prove substantial it will be taken as evidence that there is still a satisfactory backlog of buying power throughout the country. This in turn would have a stimulating effect on steel and similar sensitive trade barometers.

Obviously many potential urban purchasers for such things as automobiles are currently deferring action—at least until markets start to mend again.

Little favorable news is expected from the construction industry this fall, largely because sharply higher prices have caused something of a buyers' strike. Industry has also taken refuge in more cautious buying policy.

Railways Vulnerable

Another important barometer in the United States is the railway situation. Many observers believe this to be a major point of weakness and any evidence affecting rail earnings would have an important bearing on the current outlook.

Factors affecting export trade are important— especially in Canada—though opinion seems divided in the U. S. as to the real importance of war talk and politics on the current market situation. For example, one outstanding authority traces a direct correlation between the stock market decline and Roosevelt's Supreme Court antics. Another equally reputable expert deems this a "red herring" and attributes the major trend primarily to business factors.

Retail sales in all lines will, of course, be watched very closely. So will situations such as have developed recently in the newsprint industry where steps have just been taken to adjust output more closely to actual demand. Further adjustments may be necessary in this and other industries not only on output but on price schedules. While these momentarily may have a bearish influence on markets, they tend (where constructive) to pave the way for that return of business and consumer confidence which is so generally looked for at the present time.

Banker Blames Washington

Widespread interest was occasioned by the Rochester speech of Winthrop Aldrich, chairman of the board, Chase National Bank, last week. As a man who had virtually been put into his present job with federal government approval to aid this largest U. S. banking institution through its troubles, Mr. Aldrich's speech was widely heeded in all parts of the country, not excluding Washington. He gave chapter and verse in laying the blame for many Wall Street troubles on the shoulders of the present administration and produced a much clearer and more convincing case than had hitherto been put up by Stock Exchange advocates.

Increased government regulation has seriously impaired the efficiency of the stock market, said Mr. Aldrich. "The stock market, once so broad and active, once capable of absorbing a tremendous volume of security sales with moderate price recessions, can now absorb a greatly reduced volume of sales only with very serious breaks in prices. Conversely, a very moderate amount of buying brings rapidly increasing prices."

Mr. Aldrich gives his reasons for believing this has been induced by "the cumulative effect of a variety of governmental policies."

High Tax on Capital Gains

Because the taxation rate on capital gains is so high, men of means either cannot afford or have no incentive to engage in any kind of trading in securities. If they make a profit the government takes so high a percentage that what remains is no compensation for the risk involved. If they take a loss they get no allowance for it.

Extremely high income taxes have greatly reduced and in many cases "eliminated a factor which is always helpful to the market in bad times," i.e. the investment of the wealthy who can weather a market storm.

Informed Buying Absent

"Many factors have combined to eliminate informed buying and informed trading activities of all kinds," Mr. Aldrich stated. "On a break in the market in the past we could always rely, especially on bad days, on the coming in of men with knowledge, buying power and courage, looking for bargains and able to buy them. Even when the trend was definitely downward, such men would come in on days of very violent breaks, cushion the market for a few days, expecting to sell out on the automatic rally and making the market much more orderly and much more capable of absorbing liquidation.

"The greatest evils in our stock exchange speculation have always come, not from informed traders, but from the participation on wide scale of an uninformed public, caught in the psychological contagion of a bullish boom, buying recklessly without information merely because the market had gone up the day before. Speculation is useful and helpful and steadying when engaged in by men who know what they are doing."

Market Efficiency Impaired

Another impairment of the market efficiency Mr. Aldrich found was the regulation preventing company directors from trading freely in shares of their own company. He admits the purpose of the law was commendable but declares the way it has worked out in practice is deplorable. Buying and selling of their own shares by company executives has undoubtedly in the past, he declares, moderated the price swings of those securities and has generally cushioned the market.

Inquisitorial visits of the Security Exchange Commission agents are also unfortunate: "Few men, however legitimate their transactions, ever legitimate their transactions welcome governmental enquiry into them. And very many men who are competent as traders in securities and who have contributed in the past a great deal to the safety and strength of the market have ceased their activities because they do not wish to invite this kind of attention."

Margin Rules Challenged

"Of the first importance in the narrowing of the stock market is the very high margin requirement. As the Government states this requirement it is a margin of 55%. As the brokers calculate it, it is a margin of 122%. If a man buys $10,000 worth of stock, the rule requires that he supply $5,500 in cash and that he may borrow no more than $4,500. This means that his margin is 55% of the total cost of the stock or that it is 122% of the $4,500 loan. These high margin requirements have undoubtedly been a factor in intensifying the break which has recently taken place."

The purpose of this legislation on margin was of course to hold down speculation on the rise and prevent an undue increase in the amount of credit going to security speculation.

"On this theory," Mr. Aldrich pointed out, "the margin requirement should be raised when the stock market was rising rapidly and very especially when it was rising rapidly on borrowed money. But, per contra, on the same theory, the margin requirement ought to be promptly lowered when the market breaks sharply or when loans on securities are being liquidated. A prompt drop in the margin requirement from 122% to 42% early in September would have been very helpful."

Canada Dry Ginger Ale — Evidently based on the improved showing of the company, purchase of 2,027 shares of stock is reported in the three months ended Sept. 30, by Tri-Continental Corporation, U. S. investment trust.

Foreign Exchange

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Oct. 9 1937	Oct. 12 1937	Oct. 13 1937	Oct. 14 1937	Oct. 15 1937	Oct. 16 1937	Oct. 17 1936
Par							
U. S. dollar, High ...	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	....
Low ...	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	....
1936, High ...	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	....
Low ...	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	....
U. K. pound	4.95	4.95¼	4.95[illegible]	4.95⅞	4.96	4.95¾	4.89
Australia	3.96⅝	3.96½	3.97¼	3.97	3.97¼	3.97	3.90⅝
Austria	.1886⅞	.1887½	.1888	.1887½	.1887½	.1887½	.1887½
Belgium	.1685	.1686	.1685½	.1684½	.1684½	.1685½	.1682½
Brazil	.0610	.0610	.0600	.0595	.0590	.0570	.0594
Czechoslovakia	.0350	.0351	.0350¼	.0350¼	.0350¼	.0350¼	.0354
Denmark	.2210⅝	.2213	.2215	.2214¼	.2214¼	.2213¼	.2184
France	.0331¾	.0334½	.0336⅛	.0337¼	.0336¾	.0336⅝	.0465⅝
Germany	.4014½	.4025	.4017	.4015¾	.4016¼	.4016¼	.4025
Greece	.0091	.0092	.0091	.0091	.0091	.0091	.0090
Holland	.5526½	.5534	.5529½	.5524¾	.5527¼	.5527¼	.5388
Hungary	.1975¾	.1975	.1975	.1975	.1976⅜	.1976⅜	.1979½
India	.3742⅝	.3743¾	.2749	.3748⅞	.3748⅞	.3747⅞	.3729
Italy	.0526	.0528	.0526¼	.0526	.0526	.0526	.0526
Japan	.2886¼	.2888	.2892	.2891	.2891	.2890	.2864
Jugoslavia	.0233⅜	.0235	.0233	.0233½	.0233½	.0233¼	.0235
New Zealand	3.99⅝	3.99¾	4.00⅝	4.00	4.00½	4.00½	3.93¾
Norway	.2488½	.2491	.2493	.2492¼	.2492¼	.2491¼	.2459
Poland	....	....	.1891	.1891	....	....	....
South Africa	4.94⅛	4.94½	4.95	4.95	4.95	4.94⅞	4.86⅞
Sweden	.2553½	.2555	.2558	.2557¼	.2557¼	.2556¼	.2523
Switzerland	.2300½	.2302	.2301½	.2300¼	.2304¼	.2304¼	.2289
Hong Kong	.3101	.3102	.3103	.3104	.3104	.3104	.3047

Public Service Income Higher

Canadian Public Service Reports Coverage of Interest

Canadian Public Service Corp., Vancouver, reports improved income for the year ended June 30, 1937. Interest charges were earned 1.25 times compared with 1.22 times in the preceding year. Net profits amounted to $1.80 a share for the 6½% preferred on which dividends are not being paid, compared with 57 cents in 1936.

Brig.-Gen. J. A. Clark, K.C., president, states that electric revenues increased from $171,525 to $180,222; telephone revenues from $195,383 to $199,291, but cold storage revenue dropped from $35,230 to $27,693. In connection with three subsidiaries, excluding Nanaimo-Duncan Utilities, he comments:

"The ice and cold storage branch again showed a serious decline in revenue. This is accounted for by the short fruit crop and consequent decline in storage sold and the icing requirements of the railway companies on fruit shipments. During the past year new business connections have been made and already more storage space has been sold for the current year than was sold throughout the preceding year. This will naturally result in an increase in icing requirements and will react favorably on the ice business of the company. . . .

"The need of stand-by power for the West Canadian Hydro-Electric Corp. Ltd. has been a matter of serious concern for your directors. During the past year arrangements have been completed with the West Kootenay Power Co. Ltd. for interchange of power, the purpose of which is to protect both companies against breakdowns. . . .

Telephone Companies

"Directors have approved a scheme of arrangement which provides for the voluntary winding up of the Canadian Western Telephone Co. The Okanagan Telephone Co. will take over the assets and bonded and other indebtedness of the Canadian Western Telephone Co. and become the principal operating telephone unit, with the Summerland Telephone Co. and Solar Telephones Ltd. as subsidiaries. The object is to simplify the organization and to save a considerable sum in operating costs."

Improvement in the year's results is reflected in improvement of nearly $35,000 in net working capital. Accounts only reflect results of Nanaimo-Duncan to the extent received from that subsidiary.

One change in the board has been made. E. H. Adams, vice-president and secretary-treasurer of B. C. Power Corp., has been elected a director.

Income and Surplus Account
Years Ended June 30

	1937 $	1936 $
Operating rev.	407,207	402,138
Add: Other income ..	11,219	11,085
Total revenue	418,426	413,223
Less: Oper. exps.	76,108	78,571
Maintenance	44,390	38,933
Prop. & school taxes	5,336	5,061
Prov. gross rev. tax	4,802	4,665
Gen. & admin. exps.	48,637	49,757
Prov. for bad debts	1,403	1,320
Depreciation	64,664	63,827
Net revenue	173,086	171,089
Less: Int. on debt	138,793	140,017
Bond discount	6,506	7,064
Prop. Can. Eng. Co. written off	2,260	2,260
Legal exps.	*1,729	3,000
Income taxes	7,521	12,125
Net profit for year ...	19,733	6,623
Add: Prev. surplus ...	†17,923	4,931
Less: Minority int. ...	180	415
Addit. inc. tax	......	16,542
Tr. to Nan.-Duncan.	......	12,520
Surplus forward	1,630	†17,923

†Deficit. *Credit.

Working Capital

	1937 $	1936 $
Current assets	164,869	152,314
Current liabilities	115,589	137,777
Working capital	49,280	14,537

West Can. Hydro-El. Corp.

After allowing for depreciation, West Canadian Hydro-Electric Corp. earned bond interest 1.7 times and debenture interest 1.43 times in the year ended June 30, 1937. The company is a subsidiary of Canadian Public Service Corp. The financial statement shows net working capital of some $26,000.

Income figures follow:

Income Account
Years Ended June 30

	1937 $	1936 $
Operating rev.	183,393	176,435
Add: Other income ..	9,966	10,270
Total income	193,359	186,705
Less: Oper. exps.	57,826	55,875
Net revenue	135,533	130,830
Less: Bond int.	60,000	60,000
Debent. interest	29,250	29,250
Bal. for dep. & inc. tax	46,283	41,580

Can. Western Tele. Co.

Canadian Western Telephone Co., subsidiary of Canadian Public Service Corp., covered bond interest 2.5 times after depreciation in the year ended June 30, 1937. The 6% debenture interest was covered 2.6 times. Bond and debenture holders are to meet Nov. 1 at Vancouver to consider elimination of Canadian Western Telephone and exchange of their securities into exactly the same amounts of securities of the operating subsidiary, Okanagan Telephone Co.

Income figures follow:

Income Account
Years Ended June 30

	1937 $	1936 $
Operating rev.	199,532	196,038
Add: Other inc.	1,254	815
Total income	200,786	196,853
Less: Expenses	103,039	104,045
Net revenue	97,747	92,808
Less: Bond interest ..	28,671	29,508
Debenture interest .	16,440	16,500
Deprec. & bd. disc. .	26,191	25,631
Income taxes	6,761	7,650
Net profit	19,684	13,469

Quinte & Trent Bonds To Receive Initial 50%

An initial distribution of 50% on principal of 6% first mortgage bonds of Quinte & Trent Valley Power Co. is to be made from funds now in the hands of the trustee, Chartered Trust and Executor Co., Toronto.

Final distribution will be made as soon as possible after the initial 50% is paid, upon completion of sale of the company's assets and payment of expenses of the sale.

The trustee has requested bondholders who have not furnished names and addresses to register in order to receive payment.

Canada Cement Company Limited

Canada Cement Company Limited is the most important manufacturer of cement in Canada, the business having been established in 1909. The Company owns and operates cement plants situated throughout the Dominion. Business of the Company during the current year has shown substantial improvement.

Canada Cement Company Limited
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Due November 1st, 1951
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Price: 100 and interest, yielding 4.25%

Descriptive circular forwarded upon request.

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Frost Steel Deal Needs 90% Stock

Favorable response has been received to the offer of $110 a share for the class A and $12 a share for the common stock of Frost Steel & Wire Co., it is understood. In an advertisement appearing on Oct. 19, the company stated that holders of over 90% of the class A and 83% of the common had deposited their stock in acceptance of the offer. This percentage has been increased since the advertisement appeared.

The offer is contingent on its acceptance by holders of at least 90% of each class of stock on or before Oct. 30, 1937. As there are 5,000 class A shares outstanding and 30,000 common, this will mean that holders of at least 4,500 class A shares and 27,000 common shares must accept the offer.

Suspend Work At Darkwater

Officials Plan to Resume Development in Spring

Stock of Darkwater Mines, with property at Sturgeon Lake, Ont., dropped sharply from 45 cents to a bottom of 15 cents in 24 hours as results of reports, later confirmed, that operations would be suspended until spring. The official confirmation, however, was by no means as disappointing as some had feared, and contained the statement that in the opinion of directors there is sufficient ore indicated to warrant installation of a mill which could be operated at a profit sufficient to cover cost of operations, and take care of further exploratory work. The work was being suspended, however, because of the lateness of the season, and because the company has not sufficient finances in hand to undertake mill construction at the present time.

Robert A. Bryce, president of the company, states that since June, underground development work on the 125-foot level has continued to show the same erratic conditions as previously. The 250-foot level, while the vein is very strong, has failed to give the ore expected. The 375-foot level was disappointing, Mr. Bryce reports. Results obtained from careful sampling throughout the mine and from operation of the test mill indicate that there are ore bodies of commercial value, but owing to the erratic values of the ore deposits, definite figures as to tonnage and values were impracticable.

Leaside Plan Now In Effect

Further details of the plan for the town of Leaside from the list of defaulting Ontario municipalities show that the $930,000 of debenture debt now outstanding and unmatured will be paid exactly as provided when the bonds were originally issued. Matured debentures and unpaid interest will be settled in cash.

Holders of past due debentures and coupons can now receive payment at the Canadian Bank of Commerce head office in Toronto. Interest will be paid at the coupon rate on overdue debenture principal, but no interest will accrue after Oct. 31, 1937. The amount of debenture interest and principal in default is about $247,000.

Capital bank loans incurred to take care of construction work done in 1936 will be met through arrangements with institutional investors who have agreed to purchase $160,000 of 4½%, 20-year debentures.

Int. Petroleum Output Runs at High Average

International Petroleum Co. produced 2,824,002 barrels of crude oil in Peru and Colombia in September, an average of 94,133 barrels daily. This compares with production of 2,839,000 barrels in August or an average of 91,577 daily. Average daily production for the first nine months of 1937 was 95,000 barrels, compared with an average of 90,575 daily for the full year of 1936.

In the past year there have been two major increases in the price of crude oil, which, coupled with higher production, are expected to improve the company's earnings materially.

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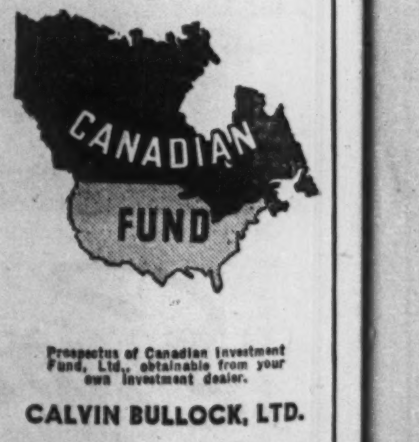

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Bond Markets

Important Changes Made In Abitibi Plan

Holders of 30% of Bonds Fail to Show at Meeting—Week of Violent Moves in Speculative Bonds With High Grades Declining

Holders of Abitibi 5% bonds met on Oct. 15 and adopted the Ripley plan of reorganization, with certain amendments. The real importance of the major amendment may not have received sufficient emphasis.

Modification of the Ripley plan, as adopted, provides for a reduction in the amount of the proposed prior lien bonds. At the meeting, J. P. Ripley stated that $2 millions would be the probable reduction in the amount of the prior lien if the scheme were made effective by Dec. 31 of this year.

If the plan is not effected until a later date, and the company continues to earn profits, the amendment would reduce the prior lien further. Those in charge of the plan will govern the actual amount of bonds to be issued by requirements at the time of issue.

An interesting parallel can be seen between the results of the Abitibi meeting and those of Great Lakes Paper Co. two years ago. Bonds represented at the Great Lakes meeting were 61% of the total outstanding and at the Abitibi meeting last week 65%. If the $3 millions of bonds held by Royal Securities which, The Financial Post understands, were not voted at all, are included, about 71% of all Abitibi bonds were represented. At the Great Lakes meeting, 77% of bonds represented voted in favor of the plan and 23% were opposed. At the Abitibi meeting, 76% were in favor and 24% opposed.

Holders of about $14 millions of Abitibi bonds failed to make an appearance at the meeting. This is about 30% of the total issue and, in view of the efforts of both sides and the publicity given, it is a matter of some surprise that holders of such a large proportion of the bonds were so little concerned as to fail to look after their interests in the matter. Objections have been raised to the costs, legal and otherwise, already incurred in this reorganization, but when $14 millions of bonds fail to appear at the meeting, one reason for high costs is evident.

Individual Buyers

One result of a decline in bond prices may be to bring the individual buyer back into the market from which he has been largely forced by a combination of heavy institutional buying and low yields. It is well known that few private investors found high-grade bonds attractive at yields of less than 4% but over this level income becomes more satisfactory and, as a consequence, bonds more attractive.

It might also be argued that the action of the stock markets in the past few months has been such as to persuade the ordinary conservative investor that stocks are not the best way to employ his funds. If yields on high-grade bonds become a little higher, their greater safety should make them the refuge for the investor who fears to be caught in the sharp declines of the stock market.

* * *

Contrasts in Behavior

In spite of the violent swings of the stock markets and the wide prevalence of depression psychology, high-grade Canadian bonds have continued their even trend. Some further decline took place in The Financial Post index of high-grade government bonds but the past week has seen surprisingly little change in the better grades of corporation bonds. It is true declines have taken place but they have ranged from fractional losses to one or two points.

It is decidedly a different question where the more speculative issues are concerned. Losses in the newsprint bonds over the week have ranged up to 20 points. Abitibi 5% bonds sold well under 60 for losses of more than 20 points in the week. Beauharnois 5% bonds also broke below 50, down about 10 points in the week. International Hydro 6% debentures were another issue which proved highly vulnerable and reached 50, against about 70 a week earlier.

* * *

British Financing

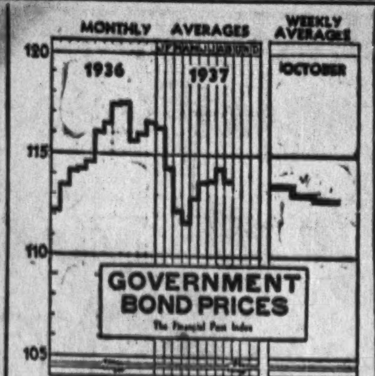
The London Economist publishes the volume of new financing in the London, Eng., market for the first nine months of 1937 showing an increase of about 80% over the previous year. This contrasts with Canadian conditions for the same period but some interesting conclusions are suggested.

Largest borrowers of past years have either lost their appetite for new capital or been unable to satisfy it in the London market. Meanwhile, the British Government has maintained a prior lien on the resources of the market for new gilt-edged securities. Benefits of low long-term interest rates are reserved: (1) for securities embodying government policy as expressed in Acts of Parliament; and (2) for a limited number of public authorities whose operations are halted at the first sign of congestion.

* * *

Bond Index

Actual movement of high-grade government bond prices in the past week is shown by The Financial Post index which follows:



Average Price and Yield For Seven High-Grade Government Bonds

1937	Price $	Yield %	1936	Price $	Yield %
Oct. 19	112.88	3.334	Oct. 19	115.50	3.180
Oct. 18	133.20	3.307	Oct. 17	115.50	3.180
Oct. 16	113.22	3.307	Oct. 16	115.50	3.180
Oct. 15	113.27	3.303	Oct. 15	115.49	3.181
Oct. 14	113.41	3.289	Oct. 14	115.49	3.181
Oct. 13	113.50	3.284	Oct. 13	115.15	3.191
Year's	3.206	116.81	Year's	117.91	2.966
Range	3.505	111.60	Range	111.50	3.597

Bond Sales

Treasury Bills

Dominion of Canada sold $25 millions of treasury bills, maturing Jan. 14, 1938, on Oct. 14, at an average price of 99.8269, a cost basis of .696%. No change was made in the outstanding total which remains at $150 millions.

The latest sale marks the third consecutive increase in the cost of this type of financing since the all-time low point was reached on Sept. 1, 1937.

Cost of treasury bills sold since the beginning of 1937 follows:

Date sold 1937	Cost %	Date sold 1937	Cost %
Jan. 1	.746	June 1	.678
Jan. 15	.747	June 15	.643
Feb. 1	.759	July 1	.634
Feb. 15	.776	July 15	.632
Mar. 1	.795	Aug. 1	.633
Mar. 15	.805	Aug. 15	.636
Apr. 1	.786	Sept. 1	.628
Apr. 15	.771	Sept. 15	.632
May 1	.749	Oct. 1	.660
May 15	.715	Oct. 15	.696

St. Anthony Gold Mines Claims $11 Recovery

September production at St. Anthony Gold Mines amounted to $30,300 from treatment of 2,765 tons of ore, average recovery being approximately $11 per ton, states H. P. Bellingham, president, in a progress report. Production for the quarterly period ended September 30 was $94,122 from milling of 8,098 tons, an average recovery of $11.64.

New ore is being developed and a stope prepared in the drift north of the 150-ft. level, there being a possible stoping length of over 120 ft. For a height of 30 ft. a raise being driven preparatory to stoping from the 150-ft. level has shown values of about $10 per ton. In the glory hole, says the report, grade as evidenced by production figures is running about $12 per ton, and an inspection recently made in No. 1 drift on the 750-ft. level disclosed encouraging results.

Saguenay Co. Income Higher

Current Earnings Cover Common Dividend by Good Margin

From Our Own Correspondent

MONTREAL. — Saguenay Power Co. and fully-owned subsidiaries, report an operating revenue of $1,296,812 for the three months ended September 30. This compares with $1,196,242 for the like period in 1936. After all senior charges there was a net income of $432,936, as against $392,889 a year ago. During the quarter the company paid a regular dividend of $1 a share on the common stock after which charge there was a surplus of $154,183.

Comparative income and surplus account for the three months ended September 30 of 1937 and 1936, respectively, follow:

Income and Surplus Account
3 Months Ended Sept. 30

	1937 $	1936 $
Operating revenue	1,296,812	1,196,242
Operating expenses	142,265	137,306
Taxes	54,833	61,117
Other income	3,221	4,933
Net oper. revenue	1,102,935	1,002,751
Less: Bond interest	356,375	359,750
Other interest	......	17,708
Disc. on financing	43,429	*16,272
Depreciation	169,439	165,749
Income tax	100,757	82,927
Net income	432,935	392,889
Pfd. dividend	68,752	......
Com. dividend	210,000	†383,751
Surplus	154,183	9,138
Previous surplus	2,986,482	3,159,363
Surplus forward	3,140,665	3,168,501

*Credit. †All stock dividends.

Cumulative returns for the nine months ended last September show an operating revenue of $3,692,851, compared with $3,413,796 for the same period in 1936. There was relatively little change in operating expenses and taxes, so that most of the gain in gross revenue was carried into net operating figures. Interest charges show a reduction with the result that net income available for dividends is $1,130,996, compared with $493,333 the year before.

The income and surplus accounts for the nine months' period in the last two years follow:

Income and Surplus Account
9 Months Ended Sept. 30

	1937 $	1936 $
Operating revenue	3,692,851	3,413,796
Operating expenses	415,266	358,906
Taxes	174,104	161,242
Other income	11,479	10,335
Net oper. revenue	3,114,959	2,903,982
Less: Bond interest	1,074,857	*1,711,426
Other interest	3,601	33,821
Disc. on financing	130,288	28,253
Depreciation	502,339	511,167
Income tax	272,877	125,982
Net income	1,130,996	493,333
Pfd. dividend	206,254	......
Com. dividend	1,260,000	383,751
Surplus	†335,258	109,582
Previous surplus	3,274,270	3,055,067
Govt. bonds retired	......	3,853
Govt. secs. sold	201,653	......
Surplus forward	3,140,665	3,168,502

*Includes $352,690 of non-recurring interest. †Deficit.

Bond Tenders

8 p.m., Oct. 25, Sorel, P.Q.—$46,400, 4%, 10-yr. serial bonds, dated Nov. 1, 1937. A. O. Cartier, clerk.

8 p.m., Oct. 25, Three Rivers—$125,000, 3½% or 4%, 30-yr. serial bonds dated Nov. 1, 1937. J. M. Gregoire, sec.-treas.

8 p.m., Oct. 25, La Tuque Catholic Sch. Comm.—$80,000, 4%, 15-yr. serial bonds, dated Oct. 1, 1937. A. Roy, sec.-treas.

7 p.m., Nov. 3, Arthabaska, P.Q.—$45,000, 3½% or 4%, 15-yr. bonds. F. Houle, sec.-treas.

8 p.m., Nov. 2, Saint Hyacinthe, P.Q.—$47,000 3½ or 4% bonds dated Nov. 1, 1937, redeemable serially to Nov. 1, 1959. Henri Morin, sec.-treas.

City of Quebec To Issue Bonds

Passes By-laws Covering Loans Totalling $4 Millions

From Our Own Correspondent

MONTREAL.—Quebec City will probably be in the market in the near future with a $4 millions bond issue, the city council having recently passed by-laws covering a series of seven proposed loans totalling $4,013,200.

The proposed loans are for a variety of purposes, $499,400 representing refunding of issues which have matured but for which sinking funds were not sufficient to meet principal on maturity. A further $1,539,200 represents temporary and bank loans for unemployment relief which are to be funded. Of the remainder of the total, $607,500 is to be used to repay to the provincial government the balance of a loan made in 1922 for the construction of workingmen's houses in the city; $423,600 is to be used to finance the city's deficit in the 1934-35 and 1936-37 fiscal years; $953,500 is to be used to finance the cost of various public works.

Except for the unemployment relief loan of $1.5 million, all the loans are to be for a 20-year period from Aug. 1, 1937, and are to bear interest at a rate not exceeding 5%. The unemployment relief loan is to be for a 30-year period. The bonds are to be callable at par on any interest maturity, after 60 days' notice has been given.

Montreal Commission Reports Lower Arrears

MONTREAL. — The Montreal Metropolitan Commission reports that 11 solvent municipalities under its jurisdiction reduced tax arrears by $73,000 to $1,177,000 during September.

The three insolvent municipalities—Pointe aux Trembles, Montreal North and Ville St. Michel—report a reduction of $11,000 to $105,000.

Each municipality contributed to the decline in arrears, Verdun leading with a reduction of $20,000. Westmount was second with a decline of $19,000.

Comparative figures are given below:

Tax Arrears

	Sept. 30 1937 $	Aug. 31 1937 $
Mount Royal	28,000	30,000
Montreal East	24,000	28,000
Verdun	169,000	189,000
Hampstead	17,000	20,000
Westmount	345,000	364,000
Outremont	233,000	242,000
Lachine	157,000	164,000
Ville St Pierre	27,000	29,000
Montreal West	42,000	43,000
Ville La Salle	58,000	60,000
Ville St. Laurent	77,000	81,000
Pointe aux Trembles	36,000	45,000
Montreal North	50,000	52,000
Ville St. Michel	19,000	19,000

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Ford Hotel	‡6%	1947	Nov. 1	101
Port Royal Pulp	5%	Serial	Nov. 1	101
Riordon Pulp	▲6%	1942	Dec. 31	105

For sinking fund purposes: ‡$10,000. ▲$59,000.

Stock Market Panic Forecasts Setback But Too Pessimistic

(Continued from page 1)

Britain, coupled with the go-ahead attitude of business gave a big lift to profits.

Who Bought Stocks

The beginnings of recovery in 1933 and 1934 induced considerable buying of stocks by businessmen. But the singular feature was stock buying by conservative investors, who would ordinarily purchase bonds, for two main reasons:

1. Yields on bonds had gone to low levels and stock yields were therefore relatively attractive.
2. Inflation was on lips everywhere and stocks were regarded as the best hedge against it.

In 1935 and 1936 European buyers entered the American market for stocks. For several years, major suport for rising stock prices had come, then, from business buyers, investment buyers who feared inflation, and European buyers who were sending their money abroad.

Coming to the late months of 1936 and early 1937, there was a marked decline of bond prices. This weakened one of the supports for stocks, the relatively higher yields on common shares than on bonds.

Early this year the cost factors began to gain rapidly in industry, rising wages and higher prices for materials. There was also the beginning of a deflationary movement in credit, particularly in American restrictions on bank reserves, sterilization of gold, and then the gold scare.

Investment Caution

On hindsight, this interpretation suggests that the weakness of stocks last spring on the international gold price scare furnished the first evidence of the disillusionment of inflation investors.

As the market has fallen since last spring, there have been two important developments:

1. Investment buyers dropped out of stocks, as inflation lost its power as a catchword.
2. Rapid changes in costs began to cut into earnings, followed by some price-shading in industry despite high volume.

It is held that part of the fall of stocks represents the absence of the "inflation buyer" and part is due to changes in cost conditions suggesting a prospect of pause or even of a sharp but brief depression. The more recent plunge of stocks is regarded as a panic condition developing as it often does from sustained weakness in stock markets.

The view is put forward that stocks have dropped precipitately, not so much from heavy liquidation because volume has been of moderate proportions for such a severe slump. Rather it is attributed to the dearth of buyers.

Investment buyers have become wary of stocks. Businessmen also. European buyers have in some cases become sellers. And finally American Government regulations have reduced the number of speculators who ordinarily might be "short" of stocks and therefore potential buyers. Only the lambs and cautious "yield" buyers looking for bargains are furnishing support, it is claimed.

What is there ahead in a picture as sombre as this one can be colored?

An intelligent guess is that there may be a short but substantial setback in business, a sort of quick depression, with a fairly sharp readjustment of commodity prices and industrial profits.

It is contended, however that there is not going to be anything like the depression of 1929-1932, if only for the one reason that conditions are not such as to produce the same shrivelling of credit and bank deposits. The expansion having been less pronounced than in 1929, the curtailment should be less severe.

Inflationary Dangers

What if Mr. Roosevelt steps in and loosens the restrictions that have been placed on credit? What if other governments resume policies of "reflation?"

The long-range economic view is that if efforts are made to stem the tide it may eventually develop into real inflation with a terrific collapse at the end. The history of inflation through the ages, briefly, has been this: an initial stimulus to business followed by minor slump; a further inflationary stimulant to correct the slump and another business flurry; finally more and more inflation to stop depression The end is a shrivelling of the value of money and economic collapse.

Various opinions on the stock slump appear on page 4, column 1.

Canadian Investment Securities

Enquiries invited.

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Notice to Holders of Debentures
of the
City of Victoria
British Columbia, Canada

Notice is hereby given that a Plan of Adjustment of the Debt of the City of Victoria has been approved by the City of Victoria and that a Debenture Holders Committee (whose personnel represents holders of substantial blocks of the City's debentures) having studied such Plan, recommend it for acceptance by debenture holders.

Prompt action on the part of debenture holders is desirable.

Since to become effective, the Plan requires the approval of holders of 51% in value of the debenture debt, the Committee urges upon all holders of direct or guaranteed obligations of the City of Victoria the importance of communicating with the Secretary to the Committee, W. F. McIlroy, Esq., 10th Floor, 302 Bay Street, Toronto 2, Ontario, in order to obtain complete details of the Plan affecting their securities, together with the form of approval.

$3,500,000 Spent on Plumbing and Heating Under H.I.P.

Analysis of loans under Home Improvement Plan shows 35% is plumbing and heating industry's share to date.

SEVEN NEW CUSTOMERS PER MILE

Nearly 1,000 miles of new electrical service line has been constructed in Ontario in the past year. What this means in broadening prospects for plumbing and heating business.

These and other important features are contained in the current issue of Canada's leading plumbing, heating and sheet metal working publication:—

SANITARY ENGINEER
481 University Ave., Toronto, Canada

May Again Police the Jam Trade

Packers behind new plan endeavoring to avoid pitfalls into which previous attempts fell when government took a prominent part.

ACUTE SHORTAGE OF CARGO SPACE FOR FOODS TO U.K.

Exporters of certain canned products are worried because of Montreal steamships problem. Goods are sold on delivered basis and so are faced with higher costs.

QUEBEC GOV'T OFFICIAL OPENLY OPPOSES CHAINS

Address at merchants' convention, urges retailers to promote individual initiative. Limit of chain taxation said reached.

CUT TARIFF ON AUSTRALIAN CANNED PEACHES 50%

In endeavor to partially correct trade balance, bars against Australian canned goods further reduced.

These and other important features appearing in current issue of Canada's leading grocery trade fortnightly:—

CANADIAN GROCER
481 University Ave., Toronto, Canada

35-year Low in Turpentine Price

Contrary to general trend, and despite huge co-operative effort to move surplus stock, this commodity has established a new low price in 35 years.

METAL PRICE UNCERTAINTY AFFECTS BUYING

Unexpected downward turn in prices of copper, lead, tin and zinc has broad effect upon attitude of buyers of metal products.

WEST'S CROP PROSPECTS BETTER FOR NEXT YEAR

Harry C. Ashdown, president of large western wholesale hardware firm reports more subsoil moisture than in years.

CANADA MAY GET NEW STEEL PLANT

Exclusive story reports possibility of New Zealand firm locating a steel making plant in Canada.

These and many other features of much interest, contained in the current issue of Canada's leading hardware trade publication:—

HARDWARE AND METAL
481 University Ave., Toronto, Canada

Canada Gets Backwash from U. S.

Price maintenance laws adopted in 43 states and given Federal blessing by Tydings-Miller Bill, create a peculiar backwash upon Canadian business.

STATIONERY TRADE STUDIES ITS PROBLEMS.

Annual meeting of the Stationery Guild favors organization from within to cope with problems rather than later having to suffer dictation from without.

CANADIAN AUTHORS PROMINENT IN FALL BOOK LISTS.

An encouraging sign that there are so many Canadians on the publishers' lists this fall.

These are only a few of many timely editorial features appearing in:—

BOOKSELLER AND STATIONER
481 University Ave., Toronto, Canada

16.1% Increase in Restaurant Sales

General improvement enables this increase to be shown in 1936. 65.3% of restaurants reporting in survey, show profitable operations last year.

STRIFE IN ORIENT DISTURBS FOOD PRICES.

If the Sino-Japanese conflict extends for a protracted period, prices of certain foodstuffs will be materially affected.

THREAT OF EUROPEAN WAR ALARMS ENGLISH HOTELIERS.

An English hotel operator indicates the seriousness with which English hotelmen consider the threat of war.

These are a few of many timely editorial features in the current issue of:—

CANADIAN HOTEL REVIEW AND RESTAURANT
481 University Ave., Toronto, Canada

Sharp Dissension Over Painting and Maintenance Work

Painting contractors challenge building owners, before Labor Board, to show why they shouldn't pay authorized code rates for painting.

CHARGE EVASION OF WORKMEN'S COMPENSATION ASSESSMENT.

A picture of the tremendous accident toll in the painting industry and its cost to employers.

These and many other timely articles are features of the current issue of:—

CANADIAN PAINT AND VARNISH MAGAZINE
481 University Ave., Toronto, Canada

Municipal Finances

Rossland, B.C.—The city has negotiated with contractors and firms supplying equipment to it for payment in bonds at par. Vancouver investment firms failed to give a bid satisfactory to the city council. Finning Tractor and Equipment Co. has accepted $7,500 of bonds at par. General Construction Co. has agreed to pay a price three points above any firm bid the city could obtain, or would accept any unsold portion. The city is now trying to dispose of $11,000 of paving bonds locally. Revenues of the city were up $4,294 in the first half of 1937 compared with 1936 but expenses rose $7,000, $4,799 of which was a payment to sinking fund for the first time in several years.

* * *

Lindsay, Ont.—Tax rate of 44 mills for 1937 is stated to be the lowest in a number of years.

* * *

Vancouver. — Tax collections for the first nine months of 1937 have been $10.1 millions, an increase of about $250,000 over the corresponding period of 1936. Collections of current taxes have been $9 millions, or 86.49% of the total roll, against $8 millions, or 78.95% of the roll. Collections of arrears have been $1.1 million, or 15.6% of the outstanding total in the 1937 period, against $1.9 million, or 22.28% of the outstanding total in 1936. The consolidation scheme is designed to induce taxpayers to pay current taxes and results so far indicate its effectiveness.

* * *

Edmonton.—City council has voted to restore partially pay cuts made since 1930 on employees in the higher wage brackets. This will cost the city about $14,000 for the remainder of 1937, and means an increase of about 3.5%. Total cuts have been about 9%. Employees in the lower wage classes received an increase earlier.

Edmonton's civic utilities have earned $2.6 millions in the first nine months of 1937 compared with $2.5 millions in the corresponding period of 1936. Collections of taxes, current and arrears, have totalled $2.7 millions compared with $2.6 millions.

Saint John, N.B.—Municipal council reports that $389,803 has been collected to date out of the year's warrant of $676,212. To Sept. 30, 1936, total net cash received was $364,972.

* * *

Toronto.—For the nine months ended Sept. 30, 1937, relief costs were $5.4 millions compared with $6.7 millions for the same period of 1936. The city's share of this was $1.7 million in 137 and $2.1 millions in 1936. Number on relief was 48,928 against 67,689 at Sept. 30, 1936.

* * *

Chicoutimi, Que. — The Quebec municipal commission has authorized the city to pay the following interest: Coupons due Nov. 1 and Dec. 1, 1934; interest from May and June, 1934, to Nov. and Dec., 1934, on bonds matured in May, June, November and Dec., 1933 and May and June, 1934.

* * *

Kingsville, Ont.—A plan for refinancing the town's debt has been delayed by the refusal of the Windsor, Essex and Lake Shore Railway Assoc. to accept the town council's proposal that indebtedness to the association be settled by issue of 4½% debentures. A hearing before the Ontario Municipal Board may be necessary to adjust the basis of debt settlement.

* * *

Kelowna B.C.—The city reports a surplus of current revenue over current expenditures of $12,469 for 1936. Sinking fund has been kept fully paid and securities held are in excess of the required amount by $45,785 at the end of 1936. Debenture debt was reduced by $7,000 in the year and $2,100 repaid on housing scheme debentures. Details of financial standing follow:

Population (1936), 4,899; area, 1,525 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Revenue	$ 316,983
Expenditure	304,513
Assessed value for taxation	4,714,222
Exemptions not included above	779,937

Tax rate (1936): general, 11; debenture, 15.06; school, 16.94; total 43 mills.

Tax levy (1936): $118,613; uncollected, $7,451; accumulated arrears at end of 1936 $12,030.

Assets and Liabilities

Value of assets	$1,066,963
Total debenture debt	581,000
Total sinking fund	396,322
Sinking fund surplus	45,785
Other liabilities	2,549

Public Utilities

	Net Profit
Waterworks	$ 2,031
Electric light	16,139

* * *

Eastview, Ont.—Tax collections of the Ottawa suburb are reported at $77,220 to the end of August, 1937, an improvement of $19,721 over the corresponding period of 1936.

Bribery Rampant in Drug Trade

Price cutters demand concessions to maintain suggested resale prices.

MONTREAL COURT DECISION BEARS ON PRICE PROTECTION.

Toronto manufacturer withholds supplies from price-cutting druggist. Court action ensues.

1 IN 8,500,000

Two fatalities, allegedly due to a druggist's mistakes in filling prescriptions, are the first in 17 years, during which time 8,500,000 prescriptions have been filled.

These and many more interesting topics dealt with in the current issue of Canada's leading drug trade publication.

DRUG MERCHANDISING
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And Here's More Good News

"REALITIES IN REAL ESTATE OWNERSHIP"—a series of ten notable articles covering every phase of today's real-estate-ownership problem, prepared for the information of the home owner, the landlord, the owner of business property and others, commences in next week's issue of THE POST. Tax trends, mortgage trends, the question of the "country house" and other aspects will be analyzed. Property owners will want to read every one of these illuminating articles.

"HOW TO PROFIT FROM THE FIGURES"—written for the express benefit of investors, is another series of ten articles to commence November 20. These non-technical articles will provide a working understanding of the figures in company reports, tell what to look for in the balance sheet, how to read a profit and loss statement, describe danger signals and good and bad company investments. To thousands of investors these articles will bring helpful information.

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TORONTO, OCTOBER 23, 1937

The Financial Post's Platform for Canada

1. *Balanced budgets.*
2. *Abolish politics in C. N. R.*
3. *Merit system in public service.*
4. *Freer foreign trade through Empire preferences and foreign treaties.*
5. *Stable tariffs for balanced development.*
6. *Stricter laws to protect investors.*
7. *An even break for Canadian national newspapers and periodicals.*
8. *A modernized constitution.*
9. *Integrity in meeting public obligations.*
10. *Wider markets for our farms.*

Is Canada Breaking Up?

AN ALARMIST view of Canadian affairs has been written for the Yorkshire Post by G. R. Stevens, one-time Canadian trade commissioner. Mr. Stevens has an unusually penetrating mind but he is prone to exaggerate. While in the employ of the Canadian Government he was at times criticized for the outspoken things he said and wrote about Canada's trade relations.

Mr. Stevens points to the disruptive influences at work in Canada, and concludes:

"Today Canada moves slowly but surely toward disintegration.

"It is not that the centripetal pull of the United States is greater but that Canadian resistance is less.

"During the past 15 years the authority of Ottawa has diminished and the authority of the nine provincial capitals has increased. During these years no new tie has been found to dedicate mountain and prairie, East and West, Anglo-Saxon and French-Canadian, to a common purpose. Instead, sectional expediences have frayed one strand after another of the bonds of Confederation."

After reciting evidences of provincial "political mumbo-jumbo" he indicts the provinces for being, not the "partners of the Federal Government, but rather its rowdy pensioners who have combined and improved upon the arts of political blackmail."

He then concludes:

"The only cure for the ills of Canadian 'laissez aller' would appear to be inspired and undeviating leadership which will make a clean break with the defeatism of the past 15 years and which will put the provinces in their proper place, restore sanity in railway administration and impel Canadians to accept the liabilities of nationhood as South Africans and Australians have accepted them standing on their own legs.

"Slick dealing and temporizing must end. The stern Scottish strains of courage blended with caution formerly dominated the Canadian outlook. They must be invoked again."

The story that Mr. Stevens tells is no new thing. In most periods during the past 60 years a similar tale could have been told by anyone who desired to be alarmist. What Mr. Stevens overlooks is a miracle; the miracle of nationhood in a land that is geographically and economically unready for nationhood. Only a short time ago the famous French author and observer, André Siegfried, a much abler commentator than Mr. Stevens—wrote a new book on Canada in which the same basic material was used. Mr. Siegfried also wrote an able volume on Canadian problems 30 years earlier. In both of these he emphasized the difficulties in nation-building in Canada—as does Mr. Stevens—but he also paid tribute to Canada's success in overcoming them. This Mr. Stevens ignores.

For 60 years this country has been governed, and governed fairly well (as democracies go) by a policy of compromise—by the age-old procedure of trial and error, of give and take. Mr. Stevens says we must put the provinces in their place, accept the liabilities of nationhood and restore sanity in railways administration. All sound advice — and welcome—but hardly a strong argument to support a claim that as a nation we're falling apart.

The one place where Mr. Stevens is on thoroughly sound ground is in his plea that "courage blent with caution" must once more dominate the Canadian outlook. No one will gainsay the need for fearless and courageous leadership in Canadian affairs and Mr. Stevens does well to hammer the point home, even if in so doing he makes a few unnecessary dints in the family armor.

Lower Taxes vs. Lower Debt

RECENT Ottawa dispatches indicate possible tax reductions at the next session of Parliament, if the Federal budget is balanced. As yet a balanced budget is by no means certain and has been jeopardized by current uncertainties in trade, financial and international affairs.

Much as the relief to business of tax reductions may be desirable, there are many long- and short-term factors to be considered.

One reason for the heavy burden of taxation in Canada is the enormous public debt, interest charges on which absorb a large percentage of Government revenue. The wise course may be, therefore, to remove, in part at least, one of the causes of high taxation, by reducing debt. Many businessmen, much as they would like to see taxes reduced, feel the first step is to liquidate debt piled up during depression years.

The Federal Government, in fact, has such a policy in mind. Hon. C. A. Dunning, Minister of Finance, in his budget speech last spring, spoke of a balanced budget in the 1938-39 year, and said the Government could then begin "the deficits which had been funded during the depression." "That," he added, "is the goal we must steadily keep in mind." However discomforting to the taxpayer, there is no doubt as to the soundness of such a policy.

On numerous occasions The Financial Post has pointed out that if budgets are to be unbalanced and debts piled up in a period of depression, then the reverse must be achieved in periods of prosperity. Unless this is done, the ultimate result will be either inflation or repudiation. Increases in taxes during periods when business is slowing up, are a deflationary force, and merely aggravate the situation. Thus it may be wiser to sacrifice reductions in taxation at the present time and reduce debt for the sake of security in the future.

Another factor which has to be taken into consideration is the pending study by the Rowell Commission. It is doubtful whether the Federal Government should take any steps to reduce taxation until the commission has made its report.

Mr. Dunning and his associates would be well advised to study the example of Sweden. Sweden unbalanced its budget during the depression, but now that good times have come back, is reducing its debt through surpluses. Furthermore, the Government refused to make a reduction in taxation early this year on the grounds that such a move would be inflationary in character, and might necessitate a deflationary increase in taxes in bad times.

Where is Radio Going?

WHAT an anomalous position it would be if the board of directors of the Canadian National Railways acted also in the rôle of a Board of Railway Commissioners for Canada! This would mean that the C. N. R. directors would run one railway and also dictate the policies, rates and operating conditions of all its competitors, including the C.P.R.

If anyone made such a suggestion, he would be jeered. And yet exactly that condition prevails in radio. The Canadian Broadcasting Commission operates radio stations on a commercial basis, selling time and arranging advertising programmes, and at the same time it controls the operations of all its competitors.

It is an anomaly that must some day be resolved. And the best indicators of public opinion in Canada point to the direction in which the solution will be found. It will be in the final acquisition of all radio stations in Canada by the state and the elimination of all commercial programmes from the air.

Higher license fees may be necessary for receiving sets but the nation as a whole will benefit from making use of this greatest of modern scientific developments for the purposes of expanding the foundations of Canadian citizenship. This will be done by utilizing the air for education in citizenship and for the extension of the cultural boundaries of our people.

Advertising programmes would long ago have been banned from radio in Canada, as they have been in England, were it not for the fact that such programmes would still continue to filter into Canadian receiving sets from United States stations. Radio is definitely commercialized in the United States and will remain so for many years. And while Canadian stations can be divorced from advertising uses the Canadian air cannot. To many this may seem to be a final and insurmountable barrier to de-commercializing radio in Canada. But more mature reflection will probably lead the nation to believe that it is better to use our exclusive wave bands for enriching social and community life, in both education and entertainment, and trust that our example will lead the United States to our point of view rather than for us to be guided permanently by the habits of our neighbor.

At the moment the Canadian Broadcasting Commission is riding furiously in two opposite directions; toward clearing the air channels of commercial advertising and toward selling all the advertising programmes it can arrange. But there is reason to believe that the Commission's heart is in the first effort; that it is making the best of what it considers an unpleasant job in the second one.

Dominion of Sahara

TWO weeks ago Glasgow's "Daily Record and Mail" in 30 point black type headed a brief reference to this country with the caption:

"FEARS THAT CANADA WILL BECOME LIKE SAHARA."

After this startling prediction (embracing apparently our entire far-flung dominion) we are told that a certain Professor Roe of Aberdeen recently returned from summer school at McGill University had expressed the fear that "in the course of time western Canada will become like the Sahara."

That hedged the first sweeping statement a little and relieved half of this country of the dangers of sand storms and dervishes. Apparently it will not be necessary for us to abandon our great industrial cities of the east, and to replace our Clydesdale horses with long-necked camels.

But the recent visitor was not so sure of the prairies. He is quoted directly as follows:

"Some of the western parts are gradually becoming dried up. People attribute this to the cutting down of the timber, and others believe that it is just a geological fact."

We have heard many and weird explanations of drought in western Canada but never anything quite like that advanced by Professor Roe. How timber could be cut down in an area devoid of trees for at least a thousand years, we do not know. "Just a geological fact" sounds much more convincing and simpler.

If Professor Roe had taken the trouble to travel 1,000 miles west of Montreal, he would have found 60 million acres of rich heavy land, liberally soaked with returning moisture. True, there has been a severe drought in certain areas and possibly 3% of the original wheat land may have to be returned to grazing, but any talk of a Sahara in western Canada is the sheerest rot.

Why such a journal which describes itself as the National Paper of Scotland should be so misled in this age of rapid and ready communications is difficult indeed to understand.

A British Example

THE Investor's Chronicle, of London, suggests Canada might take a leaf from British practice as we seek for a solution of our railway troubles.

Many years ago, after a long period of "insensate" competition, the old South Eastern Railway and the London, Chatham and Dover Railway, while remaining as separate owning companies, set up a joint managing committee which worked satisfactorily for many years, indeed, right up to the time of the great railway amalgamation of 1923.

"Such a solution," says Investor's Chronicle, "would certainly avoid the many problems which would arise from any plan for complete financial amalgamation of the comparatively strong C. P. R. with the practically bankrupt Canadian National system."

The suggestion is inspired by recent comment of Sir Edward Beatty regarding the unification plan he has proposed and sponsored for many years. This plan does not contemplate an amalgamation of the two companies, but proposes a scheme under which they would keep their separate identities while being worked as one operating organization with the receipts divided in agreed proportions.

The Investor's Chonicle is in agreement with most thinking Canadians in feeling that something must be done about the "present deplorable position."

Editorials in Brief

One Comforting Statistic culled from the week's news is that four out of every five visitors to Washington visit the Smithsonian Institute.

Perhaps we shall still live to see the day when four out of every five who visit the Dionne Quintuplets will drop in at our own National Museum on the way home.

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We were looking at a page of photographs of Canadian Communists in convention in Toronto, as published in the Communists' daily paper. Here are samples of some of the names listed: Trachtenberg, Luck, Boychuck, Gettler, Zuker, Zurawinsky, Shulman, Starkman, Wolkovsky, LaPedes, Bilecki, Vassil, Shatulsky and Mah-Sue.

The meeting cheered the exploits of the "Canadian boys" fighting with the so-called "Mackenzie-Papineau battalion" in Spain. Let us hope that Mackensky and Papineauvich did not turn over in their graveskys.

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All during the Ontario election campaign a little editorial item travelled the rounds of the Ontario press. In this item, The Financial Post was quoted as saying that Premier Hepburn had arbitrarily put aside a Supreme Court judgment on the Canada Temperance Act and accepted a county court judgment in order to put beer parlors into certain counties.

A great many newspapers reproduced the editorial that The Financial Post is supposed to have run. All credited it to this paper. But, as a matter of fact, the editorial never appeared in this paper.

We can only assume that someone sending out publicity for the Conservative party must have reproduced the editorial and put our name on by mistake.

Sayings of the Week

"It is intelligence which produces wealth."—*Nicholas Murray Butler.*

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"Get rid of fear and I believe the world would be a safer place."—*Sir Philip Gibbs.*

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"Capital is the product of social, economic and political liberty."—*Nicholas Murray Butler.*

• • •

"As an intellectual fashion fascism can already be considered antiquated."—*Thomas Mann.*

• • •

"Positive governmental action is necessary if we are to correct basic abuses in our industrial life."—*John L. Lewis.*

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"No democratic government can, by force of law, entirely eliminate strife from private industry."—*Robert F. Wagner.*

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"It is the duty of those in authority to frighten the people of England out of their wits."—*Admiralty Lord Duff Cooper.*

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"Democracy demands more from both its citizens and leaders than any other form of government."—*James Truslow Adams.*

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"Any system which turns out millions of people who fall for get-rich-quick schemes must have something wrong with it."—*Henry Ford.*

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"Let it be said in the most categorical fashion we will never tolerate Bolshevism or anything like it in the Mediterranean."—*Benito Mussolini.*

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"Slums are found in the sloth of the few and the greed of the many. Wipe them out by a miracle, slums would return." — *Dr. George Butterick.*

• • •

"I believe no nation can be free until its women have control over the power that is peculiarly theirs; I mean the power of procreation."—*Margaret Sanger.*

• • •

"Our air force need not fear comparison with any air force in the world, whether you look at the achievements of our machines or the quality of our men."—*Rt. Hon. Neville Chamberlain.*

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"Through enlarged trade there can come an equilibrium of peaceful interests more stable than the equilibrium of mass cannon and aeroplanes."—*Cordell Hull, Secretary of State of the U.S.A.*

—Cartoon by Grassick.

A SLIGHT MISTAKE
"But, where's your two brothers?"
"Sorry, girls, we aren't three. We're only one and I'm it."

Post-Scripts . . . .

Photographs and Pianos

A new star is rising rapidly in the photographic firmament.

His name is Scott Malcolm and your eye may get as much enjoyment from his genius in handling a camera as it now does from listening to his continent-famous piano recitals.

SCOTT MALCOLM

Most people in Canada and many in the United States know Scott by reason of his membership in the famous two-piano team of Malcolm and Godden. Since 1928 these two have quietly and successfully earned a reputation in the world of music that has brought them to some of the topmost peaks in concert and radio work.

But now Scott is starring in a new role—new not only for him but for Canada—the making of color photographs for commercial use. His first important job is a splendid picture of the famous Oakes garden theatre at Niagara Falls which appears on the front cover of Canadian Homes and Gardens this month. In a few days another fine color picture of one of the big grain freighters passing through the Welland Canal will appear on a MacLean's Magazine cover. This grain boat photo incidentally was no easy assignment. For three days Scott waited at the canal to get the proper lighting conditions and a good sized boat. He finally snapped the picture at 7 p.m. on the third day of his long vigil.

Not many people know that after leaving school, Scott Malcolm spent many profitable years with the MacLean Publishing Co. For a year he had been in the printing business and then in the fall of 1928 (about the time he started his two-piano team) joined the MacLean organization in the purchasing department. Early in 1929 he moved up to The Financial Post staff, first with the Corporation Service and later as a special resident writer for The Post at Calgary.

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World Traveller

Winnipeg now seems to have a stranglehold on the chairmanship of the national council of the Canadian Institute of International Affairs. The first chairman was Sir Robert Borden. He was succeeded by Rt. Hon. Newton W. Rowell and Hon. Vincent Massey. Then the position was taken over by John W. Dafoe, famed editor of the Winnipeg Free Press. Now Mr. Dafoe has given up the office and he has handed it over to a fellow-Winnipegger in the person of Edgar J. Tarr, K.C.

Mr. Tarr has earned the honor. He has been active in the affairs of the Institute since it was founded 10 years ago. He has been a member of the council. During the past year he has given a great deal of time to the Institute. He has addressed the parent organization, the Royal Institute of International Affairs in London. He has attended the International Studies Conference in Paris. He has attended the conference of a sister body, the Institute of Pacific Relations at Yosemite Valley and has served as treasurer of the Pacific Council. Recently he played a major role in drawing up the agenda for the British Commonwealth Relations Conference to be held in Sydney, Australia, next year.

One of his first duties as chairman of the Institute will be to visit the 16 branches all over Canada. Then he will head the Canadian delegation to Sydney next year.

Mr. Tarr is a lawyer in Winnipeg and his major business activity is the presidency of the Monarch Life.

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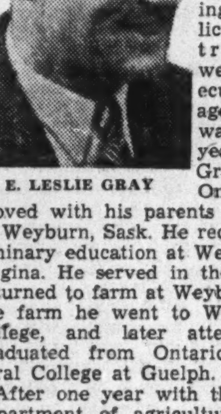
Alberta's Gray

Few people have been as much in the limelight in western Canada recently as E. Leslie Gray, who early in the month achieved a sweeping electoral triumph at Edmonton and now emerges as a possible "unity" leader for Alberta.


E. LESLIE GRAY

Practically all Mr. Gray's career has been in the Canadian West. He knows the prairies thoroughly, and has had training in public administration as well as in executive management. He was born 42 years ago in Grey county, Ontario, and moved with his parents as a child to Weyburn, Sask. He received preliminary education at Weyburn and Regina. He served in the war and returned to farm at Weyburn. From the farm he went to Winnipeg to college, and later attended and graduated from Ontario Agricultural College at Guelph.

After one year with the Ontario department of agriculture, he returned to the West, and taught in the Claresholm, Alta., agricultural school. Two years later the Alberta Government appointed him district agriculturalist, at Hanna, Alta., and in 1930 he became Alberta's field crops commissioner.

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Irrigation Expert

In 1934, the Government was looking for a deputy of municipal affairs to reorganize the department, and chose Gray. In 1935, he left government service and accepted the managership of the Eastern Irrigation District, at Brooks, Alta., where his administrative knowledge and skill in agriculture have brought the irrigation project to an economic basis. Moreover he has expanded the district until it is the outstanding successful irrigation project in the West. His basic principles of combating the problems of dry land have been storage of water and reforestation.

Costs, too, occupy a prominent place in all irrigation areas. Mr. Gray has brought charges down as low as 35 cents an acre, in contrast to the $1.75 or $1.25 necessary to operate in some other irrigation districts.

Mr. Gray rarely smokes, does not drink. He is a family man. His wife is the former Mary Curry, of Toronto, and they have two children. The chief recreation of the family is motoring, and they delight in long trips. His personal hobbies include tomato-growing, hunting and fishing. He is a game conservationist, and has spent much time at leisure on the islands of Lake Newell, in southern Alberta, checking on hatchings of ducks and geese.

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Giving Away Billions

We ran into Jackson Dodds, the affable joint general manager of the Bank of Montreal, at the tenth anniversary dinner of the Canadian Institute of International Affairs in Montreal last week. Mr. Dodds has a dry wit and a genius for provoking discussions in any group he happens to join. Last week he had his pockets full of German mark notes; enough at former rates of exchange to have paid off Canada's national debt and met several years' deficit on the Canadian National besides.

Mr. Dodds has collected several bushels of German notes of various denominations, now quite worthless except as scrap waste paper. He hands them around to his friends as evidence of what happens when inflation really takes hold in a country.

The other day he found that a member of his household staff was giving a bridge party. He offered to put up the booby prize. It was a piece of paper that once had a theoretical value of around $12 millions. It was a 50 million mark note.

Other People's Views . . . .

The Dead Hand
Halifax Herald

It is clear that until Canada effects some form of constitutional amendment to the British North America Act, whereby the federal parliament will have authority to legislate in matters of reform, many problems pertaining to the economic and social welfare of the people cannot effectively be solved.

It is manifestly absurd that constitutional legislation of many long years ago should continue to be binding in this entirely new day and age.

A young and vigorous country must not be allowed to be checked and thwarted in its economic and social development by any pressure of a dead hand from the past.

There is nothing so particularly sacred about a constitution that it cannot be changed. And it can be changed, too, in a constitutional way.

Agreement of the Dominion's provinces to specific amendments to the British North America Act is the sole essential — and surely this should not be difficult to obtain.

Registration of Relief Recipients
Edmonton Journal

Re-registration of all persons "on relief" is of great value in planning relief measures, as the national employment commission properly emphasizes. Just a year ago the first authentic registration was completed in all the provinces. This month will see the second census of this class of the population well under way.

This registration may be important in the effect it has on provincial and municipal financing. Ottawa has intimated that "employability" will be defined more strictly. As "unemployables" have been accepted by municipalities as their responsibility, an increase in their number through a process of weeding out relief lists may throw a heavier burden on the municipality. Just what Ottawa has in mind in the way of aid for this type of relief is not known. In fairness to the municipalities it should give some hint as to what its policy is likely to be.

Telephone Germ Hunt
New York Herald-Tribune

The study of germs in telephone mouthpieces, reported by Dr. Calvin B. Coulter and Dr. Florence M. Stone, of Columbia, is reassuring. Plenty of germs were found, but no more in the mouthpieces of often-used public telephones than in home ones used only by two or three apparently healthy individuals. Only about so many germs can cluster in comfort, it seems, on a single mouthpiece. If more arrive they are smothered, dried up, starved to death or otherwise disposed of rather promptly, like unwanted immigrants on an already overpopulated island. To make everybody, or anybody, completely free from germs presumably is impossible.

A time may come when the telephone will be praised for giving us a proper daily dose of germs, instead of condemned because it is not entirely germless. A few germs acquired at frequent intervals probably act to maintain the body's germ-fighting forces, just as an army is at its best with a continual but not too strong enemy to keep it in practice. Physicians already regard the first few days out of the hospital as one of the patient's most dangerous times, because immunity has been partly lost by sojourn in the institution's comparatively germless precincts.

Future of Wheat Prices . .

London Economist

While day-to-day fluctuations of wheat prices are of little general interest, the implications of a marked change in the value of the world's wheat crop are far-reaching and of vital significance.

A year ago we suggested the wheel of prices had almost gone full circle and the present time is opportune for further examination of the probable long-term outlook—being more so in view of the unfavorable effect on the world's market of the rich harvest garnered in the United States this summer.

The area under wheat has been steadily extended in recent years under the influence of rising prices without calling forth a corresponding increase in output. But the probabilities are against the indefinite continuance of subnormal yields. Sooner or later, the extension of the wheat area must have its natural consequence in terms of increased production and lower prices.

Meanwhile the demand for wheat is still increasing. Figures for the principal countries in the 1937-8 season show an aggregate increase of as much as 10 per cent over those for 1936-7.

Prices have so far been maintained by the failure of the Canadian crop and the need to refurnish stock. But a normal yield next year might well reverse the wheat cycle, especially as demand for wheat is fairly inelastic.

Even the outlook for prices over the winter is by no means certain and will depend to a large extent on the crops of the southern hemisphere, Russian export policy, reports of the area shown and progress of next year's crop in the northern hemisphere.

Stop Me If You've Heard This One . .

Wife—"Dear, I saw the sweetest little hat downtown today."
Husband—"Put it on; let's see how you look in it."

New Books . .

A Peace Programme

COLLECTIVE ACTION. Published by the League of Nations Society in Canada, Ottawa. Price 50 cents.

In this volume the League of Nations Society publishes a transcript of the proceedings of its recent annual conference in Hamilton. At that conference there was held a round-table with representatives of United States peace organizations. Thus papers by many important leaders of public opinion across the border as well as in Canada are included.

The volume sets forth the programme of the society for "selling" the League to Canadian citizens.

African Manual

African Manual, 1937-1938—Published by Mining & Industrial Publications of Africa Ltd., London. Price 12/6.

This chunky volume, which in the 18 years of its publication has come to be the Bible of mining and industrial resources in Africa, has again made its appearance in a form which lives up to the standard set for it by its predecessors.

In some 1,100 pages, detailed information is set forth, in convenient reference form, covering operations in Africa's goldfields, which in production are the greatest in the world, as well as agricultural and commercial operations.

The introductory chapter deals exhaustively with the general resources of the Union of South Africa, showing the steady expansion of the Witwatersrand since its inception. Summaries of the reports of over 800 mines are included.

South African railways, covering 13,000 miles, and travel conditions are also dealt with. Profuse illustrations, including several colored plates, add to the attractiveness of this volume.

To Canadian industrialists, investors and tourists, this handy volume serves a definite need.

Labor in North America

LABOR IN CANADIAN - AMERICAN RELATIONS. Edited by H. A. Innis. Published by the Ryerson Press, Toronto. Price $3.75.

This is another in the series of studies of the relations of Canada and the United States that are being financed by the Carnegie Endowment.

It is a particularly timely volume because the relations of labor and industry is a subject that today fills the columns of the newspapers and is on the tongues of all groups in the community.

The editor of the volume, Prof. H. A. Innis, of the University of Toronto, traces, with his customary facility, the economic development of Canada that has provided the background for present-day labor problems. The non-political character of many United States labor and agrarian organizations has been a factor in their influence in Canada. Had they been more active in politics they would have had to meet the defenses that have always arisen in Canada against the U. S. political influence upon this country. Prof. Innis stops short of attempting to discuss what may be the effect on the labor movement in Canada should the C.I.O. and other American labor associations identify themselves more actively with the political life of their country. But his historical résumé does suggest that if John L. Lewis aspires to be president of the United States he will embarrass Canadian C.I.O. units and lessen their social influence in Canada.

A Connecticut professor, Norman J. Ware, writes the historical sketch of the development of labor unions in Canada and presents the record of their association with United States movements. He goes beyond the bounds of strictly historical interpretation by including an account of the highly significant C.I.O. strike in Oshawa's motor plants last spring, but some such reference to what is now happening in Canadian labor was, of course, necessary to a complete record. Prof. Ware's conclusion is that what happened in Oshawa brought the United States and the Canadian working people closer together In general, he finds Canadian labor weakly organized and with much diversity in its objectives, due to such conflicting influences as Imperial ties, the Roman Catholic Church, the large agricultural population and the rather unsuccessful efforts to create an all-Canadian scheme of unionization.

Prof. H. A. Logan, of the University of Western Ontario, undertakes in the second half of the volume a comparison of real wages and living standards in United States and Canadian industries. He finds the general level of wages lower in Canada while the cost of living is higher. He feels that in the distribution of industrial development between the 2 countries it is logical to expect the larger country to put the emphasis upon the heavy industries while Canada will specialize in the lighter industries with a smaller overhead cost per unit of production.

How to Save the World

TOGETHER WE STAND. By Leonard J. Reid. Published by McClelland and Stewart, Toronto. Price $1.75.

Readers of The Financial Post are thoroughly familiar with the efforts that are being made to bring the United States and the United Kingdom into closer economic association as a mighty challenge to the world to embark upon a programme of economic disarmament. Last spring the editor of The Post visited Washington and wrote a number of articles for this paper on the tremendous significant discussions that were going on behind the scenes.

What The Financial Post did for Canadian readers, the Daily Telegraph in Britain did for its readers. It sent Leonard J. Reid, its brilliant financial editor, to the United States and he published a series of articles which the United States ambassador to Great Britain described as "the most understanding, comprehensive and intelligent articles which have appeared in Great Britain for many years."

These articles have now been republished in book form with a foreword by Viscount Horne. The volume cannot fail to prove intensely interesting to every Canadian businessman and citizen for they deal with a situation that vitally concerns our very future as a nation and the prosperity of every individual on this continent.

Mr. Reid discusses with understanding and intelligence Canada's place in the Anglo-American picture and he also introduces the again lively subject of the war debts.

Week in Business

Business Ignoring Stock Market Lead

No Hint Either Here or in United States of Any Comparable Slump — Canadian Relief Figures Register Real Improvement

Again this week the stock market and general business have decided to go their separate ways. Fall pick up is admittedly somewhat less than anticipated and the pace decidedly slower than that of 12 months ago but any business recession to date does not even compare with the slump in security prices.

Business authorities in Canada, United States and Great Britain, moreover maintain their faith in reasonably early recovery. They agree that the rapid gain in general buying six months ago could not have been maintained indefinitely, that some recession was bound to come, but they appear still certain that the present slip merely represents a pause and not a full stop in recovery.

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On this side of the line, business observers point out that conditions are by no means identical with United States where most of the present uncertainty has originated. Here there has been no sudden curtailment in steel mill activity. Practically all Canadian plants are still running at capacity and expansion programmes are being actively pursued.

Volume of construction though not as high as some of the optimistic forecasts of six months ago, stands nevertheless at the best level of the last six years. There has been a disastrous wheat crop failure in Saskatchewan, it is true, but elsewhere farm returns are running close to the banner year of 1929. Of greatest significance is the change in the relief situation in Canada. Until very recently there was little change in the total number of people living at the expense of the public. Factories reopened, trade improved, business forged steadily ahead but relief rolls stubbornly refused to contract. In the last few months, however, real demobilization of Canada's unemployed army commenced with sharp declines registered in every province except drought ravaged Saskatchewan.

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What Canada may expect if returning heavy rains in the West this fall continue into next season is indicated by the vast improvement in those areas of Manitoba and Alberta this fall where farm yields have been good. Portage la Prairie in Manitoba furnishes a typical example. Present construction programme under way there includes:

A $70,000 hotel. New water works system to cost $70,000. An addition to the provincial hospital. A $60,000 addition to the T. Eaton Co. groceteria.

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While still too early to judge accurately the reception for the new crop of cars now beginning to roll off assembly lines in Canadian factories, immediate prospects are regarded as favorable by the Bank of Commerce in its current monthly letter, which states:

"A development that may be counted upon as a strong sustaining force of industry in general, is a production schedule of the automobile trades on a higher scale than that planned for the autumn of last year. This results not only from a greater prospective demand for motor vehicles, but also from the enterprising extension of productive facilities and further efforts to smooth out operations throughout the year and so avoid, as much as possible, the great seasonal production peaks and depressions formerly characteristic of automobile manufacture.

"Although production in large volume of new model motor cars and trucks is still a few weeks distant, orders for materials and parts have already been awarded on a substantially larger scale than a year ago, and the recipients, who number in the hundreds, have been busier than in any corresponding period since 1929."

Business Indicators

Coal production for the first eight months of the current year shows a small increase, but imports for the same period up substantially from a year ago. Recently, however, monthly production figures have shown a growing trend over 1936 and total for year promises to be considerably ahead.

Shoe production in August, the latest month for which statistics are available, up nearly 15% from same month a year ago and cumulative for first eight months increased to the same extent.

Current trend in Canadian business is shown by The Financial Post's index of business activity, with new figures for the week marked thus▲:

	Latest 1937	Latest 1936	Jan. 1 to date 1937	Jan. 1 to date 1936
Transportation—				
Car loadings, week (Oct. 9) ..	▲81,388	60,278	2,010,776	1,849,300
C.N.R. gr. earn., wk. (Oct. 14) .. $	▲4,013,150 $	3,946,415 $	154,397,590 $	149,281,458
C.P.R. gr. earn., wk. (Oct. 14) .. $	▲3,258,000 $	3,202,000 $	111,679,000 $	106,331,000
C.P.R. net revenue (Aug.) ... $	576,613 $	634,484 $	9,932,228 $	8,404,584
C.N.R. net revenue (Aug.) ... $	558,530 $	680,581 $	8,185,377 $	3,242,824
Business Conditions—				
Weekly index, D.B.S. (Oct. 9).	▲109.1	115.2	......	......
Financial Post Index (Sept.) ..	▲123.8	115.1	.....	......
Iron and Steel (August)				
Pig iron production (tons) ..	74,578	38,570	578,258	413,893
Steel ingots and castings prod. (tons)	126,695	80,164	962,840	727,657
Automobiles (Number)—				
Passenger Cars:				
Domestic sales* (August) ...	6,344	4,396	84,122	72,857
Factory output (August) ..	5,814	3,051	115,890	97,607
Trucks and Buses:				
Domestic sales* (August) ...	2,730	1,541	24,192	16,748
Factory output (August) ..	4,928	1,609	41,364	23,476
Exports (August)	8,802	3,449	51,416	40,263
Financing (August):				
Used .... $	3,153,216 $	2,129,282 $	26,177,189 $	18,619,263
New .... $	3,179,696 $	2,216,705 $	31,163,770 $	22,848,254
Construction—				
Cons. contracts (Sept.) ...... $	21,715,000 $	16,558,500 $	178,406,900 $	127,671,600
Production—				
Cement, bbls. (July)	▲832,720	545,773	2,922,726	2,195,751
Gypsum, tons (July)	125,762	132,461	503,670	371,956
Clay (July) .... $	▲511,950 $	406,304 $	2,108,498 $	1,777,375
Agriculture—				
Flour prod., bbls. (Aug.)	1,042,949	1,362,679	8,189,707	9,190,705
Flour exp., bbls. (Sept.)	▲306,655	378,318	3,006,934	3,502,122
Wheat exp., bus. (Sept.)	▲5,903,060	20,720,316	64,774,751	162,386,678
Cattle sales (Aug.)	125,781	66,675	590,314	521,380
Hog sales (Aug.)	73,754	71,674	670,841	596,264
Sea Fisheries—Aug.‡—				
Catch, cwts.	1,517,250	1,744,240	5,633,760	5,792,340
Landed value .. .. $	3,246,250 $	2,949,890 $	12,527,870 $	11,916,880
Newsprint (tons)—				
Production (September)	▲312,351	269,782	2,728,367	2,303,725
Exports, tons (August)	283,128	257,576	2,219,873	1,851,919
Mining—				
Coal prod., tons (August)	1,222,976	1,056,032	9,359,159	9,008,929
Coal imports, tons (August) ..	1,776,400	1,539,189	9,910,831	7,981,872
Gold prod., fine oz. (July) ...	347,474	321,107	2,320,725	2,096,815
Nickel prod., lb. (July)	15,792,349	12,596,376	127,178,686	95,548,025
Copper prod., lb. (July)	41,710,830	28,693,176	285,315,796	234,196,697
Employment D.B.S. Index (Sept. 1)—				
All industries	123.2	107.1	......	......
Manufacturing	121.2	105.9	......	......
Electric Power Output (Aug.)—				
Total monthly m.kh.†	2,035,113	1,877,075	16,885,638	15,415,215
Trade (August)—				
Retail trade (index no. of sales)	78.7	74.6	......	......
Wholesale trade (Aug.)•	9.0	......	......	......
Dept. store sales (June)•	81.5	75.7	......	......
C'try gen. store sales (July)•	13.7	......	......	......
Imports (August) .... $	69,965,939 $	50,257,754 $	522,777,568 $	397,883,401
Exports (August) .... $	103,338,590 $	93,529,756 $	729,288,461 $	603,043,991
Other Industrial Factors—				
Dressed lumber, exp.:				
M. bd. ft. (September)	▲223,507	160,586	1,427,399	1,206,971
Boot & shoe prod., pr. (Aug.)	2,321,489	2,002,895	16,860,233	14,711,557
Crude petrol., imp. gal. (Aug.)	▲157,777,730	146,313,749	825,242,560	745,098,829
Cotton imports, lb. (July) ...	12,324,000	5,616,000	92,394,608	75,437,684
Raw rubber imp., lb. (Aug.) ..	▲7,852,589	8,466,684	45,443,001	37,773,061
Cigarette cons. (Sept.) No.† ..	▲627,062	516,172	5,001,210	4,082,565
Sugar (lb.)—				
Melting & sales‡ (raw)	94,160,410	82,662,963	547,166,731	580,793,073
Manufactured‡	91,122,789	78,496,030	526,274,941	559,416,632
Finance—				
Bank debits (August)† .... $	2,612,058 $	2,619,153 $	23,519,603 $	22,759,663
Bond sales (August) .... $	50,302,000 $	27,613,351 $	861,214,565 $	850,240,391
Life insurance (Aug.) .... $	26,274,000 $	23,547,000 $	253,416,000 $	236,210,000

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. ‡For 4 weeks to Sept. 11.
•Percentage increase over last year.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.

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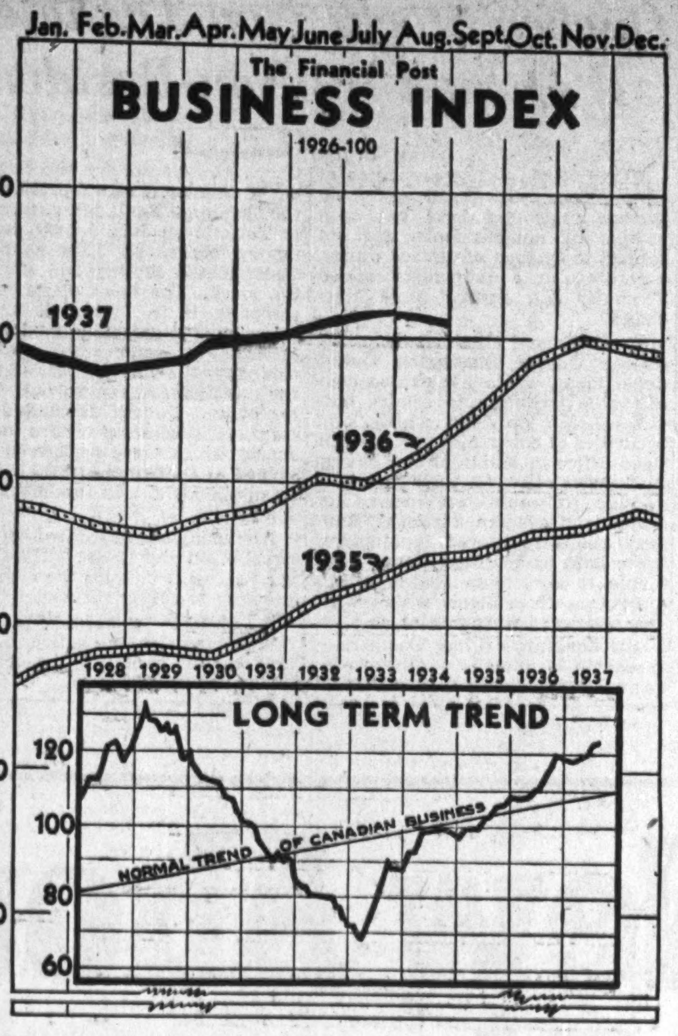

STILL ABOVE 1936

The business index showed a decline of less than one point from the preceding month but was still 7.6% above the same month of last year.

Major Canadian Economic Factors

		Sept., 1937	Sept., 1936	Aug., 1937	Increase or Decr. 1937-1936 %
Financial Post Business Index		123.8	115.1	124.4	+ 7.6
Wholesale prices		85.0	76.4	85.6	+11.3
Common stock prices		118.9	119.5	135.2	— 0.5
Capitalized bond yields, Dominion		146.4	158.5	146.8	— 7.6
Bank deposits		120.6	113.5	119.4	+ 6.3
Mineral production:					
Copper exports	cwt.	364,890	326,501	396,057	+11.8
Nickel exports	cwt.	186,605	159,465	215,743	+17.0
Zinc exports	cwt.	253,148	299,099	375,730	—15.4
Gold shipments	fine oz.	354,308	316,904	358,767	+11.8
Silver shipments	fine oz.	2,327,784	1,196,301	2,321,861	+94.6
Asbestos exports	tons	18,784	10,028	19,808	+87.9
Manufacturing production:					
Sugar manufactured	lb.	91,122,789	78,496,030	92,364,014	+16.1
Creamery butter production	lb.	28,507,111	28,402,496	31,605,358	+ 0.4
Cheese production	lb.	19,463,153	18,551,812	21,742,993	+ 4.9
Newsprint production	tons	312,351	269,782	318,713	+15.8
Woodpulp exports	cwt.	1,435,322	1,423,556	1,394,414	+ 0.8
Exports of planks and boards	ft.	223,507,000	160,586,000	170,017,000	+39.2
Shingles exported	squares	251,973	264,109	223,323	— 4.6
Steel ingot production	tons	114,622	86,077	126,695	+33.2
Pig iron production	tons	77,180	51,892	74,578	+48.7
Automobile production	No.	4,417	4,655	10,742	— 5.1
Construction contracts awarded	$	21,715,000	16,558,500	24,830,800	+31.1
Building permits	$	5,078,882	3,657,271	4,216,310	+38.9
Carloadings	No.	262,028	251,304	231,038	+ 4.3

Background of Business

Spend More on Cars

Almost a thousand more automobiles were sold in Canada during Aug., 1937, than in the corresponding month a year ago. According to a special tabulation by Canadian Automotive Trade total sales in that month amounted to 4,512 of the more popular models as compared with 3,602 in Aug., 1936. This gave the cumulative for the first eight months another gain over the previous year, bringing total to well over 67,000 cars as compared with slightly under 52,000 for the first eight months of 1936.

As in previous months gains were impressive in the medium-priced models. Thus, Chrysler jumped from 1,752 in the first eight months of 1936 to approximately 2,550 this year. Oldsmobile advanced from under 3,500 to almost 4,000, Pontiac under 2,000 to almost 4,500 and Dodge from 6,600 to 10,600. In the low priced group of three, Plymouth had a considerable gain in the first eight months, Ford a moderate one while Chevrolet sales were just about maintained. The latter model, however, led the group.

Details are as follows:

New Passenger Car Registrations (In Eastern Canada)
Leading Models

	Aug. 1937	Aug. 1936	Year to Date 1937	Year to Date 1936
Chevrolet	1,192	1,095	14,837	14,951
Ford	833	816	14,514	12,427
Plymouth	563	458	9,382	6,450
Dodge	503	429	10,587	6,601
McL.-Buick	346	136	2,976	2,208
Pontiac	354	164	4,476	1,991
Oldsmobile	325	223	3,949	3,426
La Fayette	154	32	1,697	307
Terraplane	144	105	2,141	1,597
Chrysler	98	144	2,549	1,752
	4,512	3,602	67,108	51,710

• • •

Chrysler Prices Upped

Chrysler Corp. in United States announces prices on its new 1938 lines of approximately $100 above the 1937 models. Chrysler Royals are up slightly over $100 with the Imperial line slightly under. Only quotations for regular lines of the Royals and Imperials have so far been made known. Prices of the convertible models and the custom Imperial, it is stated, will be made known later.

• • •

Steel Famine Over

There are plenty of indications now that the steel famine which troubled the world so much six months ago has abated. Last spring, many large Canadian and American steel mills were not guaranteed delivery under six months and sometimes a year. Canadian mills are still operating at capacity but those in United States having caught up with all back orders have now eased current operations considerably. In fact if new steel buying, particularly from the automobile trade, does not develop soon there are indications of a considerable recession in steel production in United States.

Even in Great Britain the situation is much easier. In contrast to conditions of last spring when orders in extreme cases were only accepted on the basis of 24 months delivery, there is hope now of getting supplies in reasonable time. The current situation is summarized by William Jacks & Company, members of the London Metal Exchange, as follows:

"There are signs that the famine is ending and the British Export Merchants will no longer require to be told by the British Federation to go to the Continent, the U.S.A., or a warmer climate for their requirements. The year 1920 is not yet forgotten by our customers at home and abroad and 1937 has gone far to equal that black year in the history of British iron and steel trade."

However, this Old Country authority expects to see good trading in all metals continued, claiming that sentiment alone was responsible for the steep rise early in the year and also for the present downfall. "The foundations for good trade," it says, "remain solid."

• • •

More Industries for Toronto

Sixteen new manufacturing developments have been brought to the Toronto area in the first nine months of this year as a result of cooperation between the manufacturers concerned and the Toronto Industrial Commission. Five of this number have completed arrangements with existing Toronto factories to have their products made here, the others are apparently establishing plants of their own.

THE EARS

HAVE IT!

UNTIL very recently the advertising for Pond's beauty products in Canada was directed only to the *eyes!* Pictures, type . . . for years these told the story of the product, persuasively and successfully.

Then the opportunity came for commercial radio. Women's *ears* were open to the human voice, the *spoken* word.

In Canada, radio presented an unusual problem. So many millions of dollars, so many "names" were providing top-notch entertainment from foreign stations, straight across an un-policeable frontier. Some of these programs were even chained into Canada. The competition was, and is, tough!

How then to produce a *Canadian* program that would command listeners at a fair cost?

The answer was to turn the limitations into *assets!* An IDEA was made to serve in place of a prodigal budget. A local program was made *local* in interest. A woman was chosen to talk with women. A creative radio department gave the people of Ontario a chance to join in the "Ask Another" game. And they *like* it!

Telephone surveys show a consistent listening audience well in excess of that commanded by many international network programs using almost unlimited money and unlimited talent. And sales figures show they BUY!

Canadian advertising of Pond's products: Pond's Cold Cream, Pond's Vanishing Cream, Pond's Powder and Pond's Danya Hand Lotion is directed by the

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Company, Limited

Serving 38 of Canada's leading advertisers, directing campaigns for these among other products: LUX TOILET SOAP, HOSTESS REFRIGERATORS, CHASE & SANBORN COFFEE, FIVE ROSES FLOUR, GRAHAM-PAIGE MOTOR CARS, ORANGE CRUSH, CANADIAN INDUSTRIES LIMITED (GENERAL CHEMICALS), MAGIC BAKING POWDER.

Business Off Only Slightly In September

Wholesale, Stock Prices Question Mark for the Future

While the recession in Canadian business in September was slight, deflation in wholesale and common stock prices raises the question as to whether a period of reaction is in prospect.

The most spectacular development in September was the decline in common stock prices, the index dropping from 135.2 to 118.9. That reaction has continued in the lapsed portion of the present month and the severity of the decline as it has developed to date must have a reactionary influence upon general economic conditions. The decline in speculative commodities was severe during September and the early weeks of October, but the situation in Canada was somewhat neutralized by the strength in grain.

The most encouraging feature of the economic situation is the continued high price of all high-grade bonds and the strong liquid position of the chartered banks. Bank deposits are at a higher level than in 1929 and commercial and brokers' loans at low levels.

Mining Level Lower

The tendency in the mining industry was toward a lower level, general declines having been shown in six factors. While recession in copper exports was somewhat greater than normal for the season, the index receding from 434 to 425, outward shipments were at a new peak for September. Export of nickel was down despite the fact that a heavier movement would have been called for by seasonal tendencies. Zinc exports were in excess of 25 million pounds against 37.6 million in August, the decline being much greater than seasonal anticipations. Shipments of gold were 354,000 ounces against 359,000. Declines were also shown in silver shipments and asbestos exports.

Some increases were shown in the records of the concerns manufacturing foodstuffs. After seasonal adjustments, the index of the manufacture of sugar advanced from 83 to 95. The output in September was over 91 million pounds. Minor recession was shown in the production of factory cheese while butter production recorded gain after seasonal adjustment, the index advancing from 138 to 150. Exports of canned salmon were 6.6 million pounds against 1.4 million pounds in August.

Forestry Group

The forestry group was again in the limelight, the production of newsprint was 312,351 tons, the recession from August being less than normal for the season. The index moved up from 198 to 204, a new high point. The output was greater than in any other September. Owing to the closing of mills on one day out of the week, it is anticipated that production will show considerable decline during the last quarter. Wood pulp exports were greater than in any other September since 1926, a moderate gain being shown over the preceding month after seasonal adjustment. Another surprise for the month was the high level of the export of planks and boards which amounted to 223½ million feet against 170 million feet in August. All records for September since 1925 were broken.

Iron and Steel

The primary iron and steel industry was active in September although output of steel ingots showed moderate recession. Pig iron, on the other hand, showed a gain, with output at 77,180 tons against 74,578. As several plants suspended operations in September preparatory to the introduction of new models, the output of automobiles showed a decline, the index receding from 91 to 52. Production was 4,417 units against 10,742.

The index of the new business obtained by the construction industry showed a gain in September. The rise was due to the expansion in building permits which increased from $4.2 millions to $5.1. The value of contracts awarded showed moderate decline, the index being off from 62.4 to 59.9.

Bankruptcies

The Canada Gazette announces meetings of the creditors in the matter of:

U. K. Sawmills Ltd., Vancouver, B.C.
Brown, R. H., Upper Musquodoboit, N.S.
Acton Publishing Co., Toronto, Ont.
Doucette, C. J., Montreal, Que.
Woolrich (The) Co. Ltd., Montreal.
Bray, Dame L., Montreal.
Dery, Ltd., H. L., Montreal.
Blanchette, E., Notre Dame.
Fournier, Ltd., S., Montreal.
Assaly, I. G., St. Jerome.
Telisman & Burshtyn Inc., Montreal.
Foisy, J. A., Lennoxville.
Litwin, J. M., Montreal.
Fortin, J. A., Montreal.
Arbour, O., Montreal.
Heon, D., St., Theophile.
Despatie, R., Montreal.
Crepault, H. R., Montreal.
Chat Blanc Enrg., Quebec.
Belanger, E., Quebec.
Dupont & Freres, Bedford.

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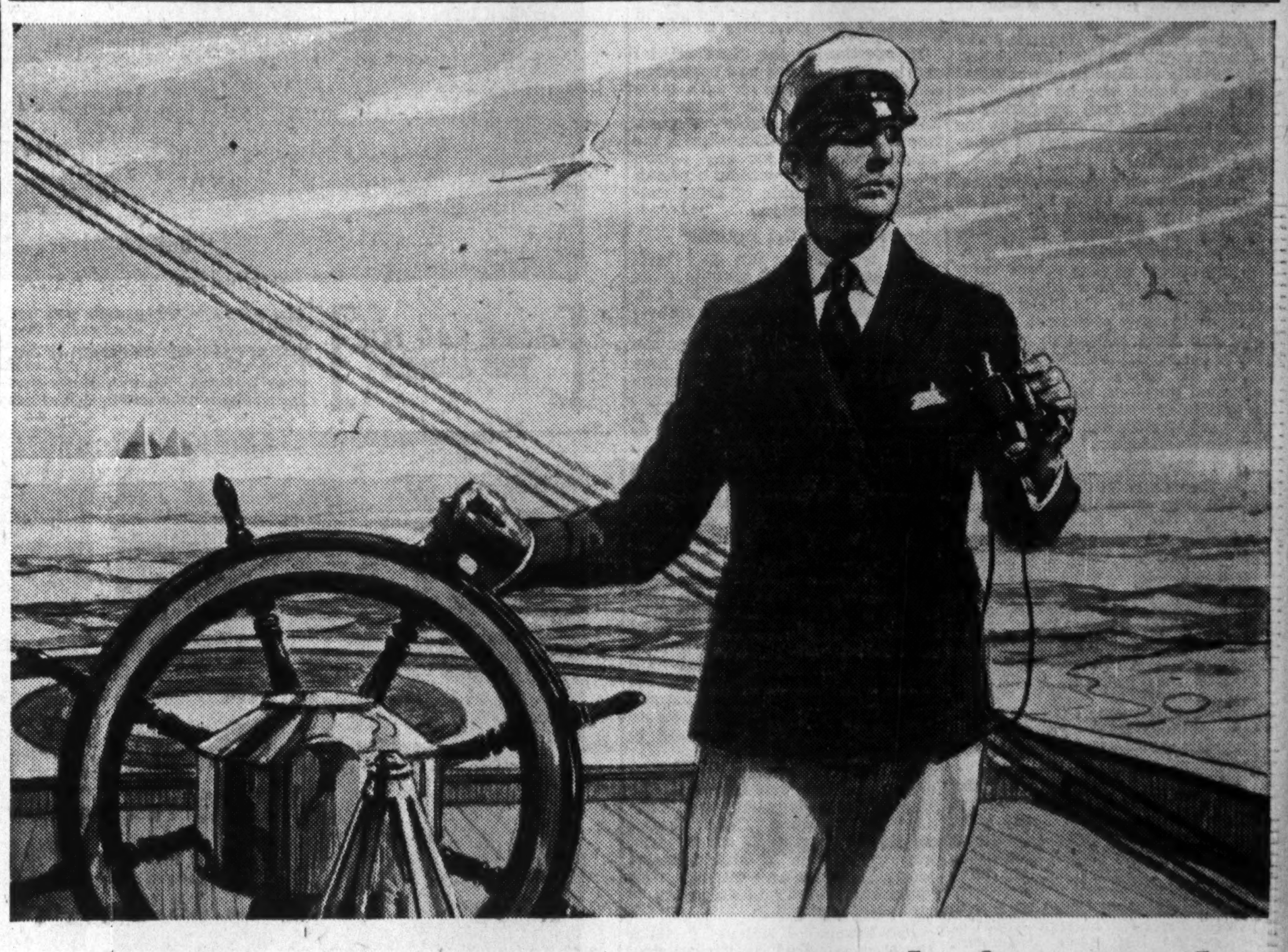

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Take your bearings from time to time and make necessary adjustments in your Life Insurance Program. For example, when your children grow up and start out for themselves, you may want to arrange for a retirement income, if you have not already done so. A well-planned Life Insurance Program is flexible and will meet such changing conditions.

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Laws and Gun Toting

By GUY S. CUNLIFFE

When Homer Martin brandished a pistol in a Detroit hotel recently at hostile subordinates in the C. I. O. auto workers union, he provided a striking illustration of the fundamental differences between control of firearms in the United States and Canada.

If repeated in this country, Martin's act would have violated the Dominion-wide Criminal Code in three or four respects, and would probably have elicited prompt action by local police authorities. In the United States he violated no federal statute and could feel reasonably sure he would suffer no prosecution under any state legislation against which he may have transgressed.

Factor In Crime Control

The differences in the constitutions and laws of the two countries with respect to firearms have been a principal factor, not only in the Dominion's superior record in regard to crime, but in the ability of Canada to avoid resort to firearms in labor troubles. During the past summer and periodically in past years U.S. labor disorders have been marred by use of firearms by strikers, anti-strike groups, and other individuals not connected with police or military forces. Such violent methods have been rarely employed in Canada.

Because of constitutional rights, constitutional barriers to national regulations, a widespread and aggressive public opinion that all citizens should be free to possess and use arms, and lack of enforcement of such restrictions as have been enacted, use of arms in the United States has long been a general custom. It is regarded as a fundamental right that any citizen should be able freely to purchase, and possess arms, and to use them for protection of person and property.

This feeling derives largely from the clause in the U. S. constitution: "A well regulated militia being necessary to the security of a free state, the right of the people to keep and bear arms shall not be infringed." Closely similar provisions are embodied in the constitutions of most of the 48 states.

Public Feeling Persists

It has been held in many rulings of American courts, both federal and state, that these constitutional guarantees relate basically to the use of arms in the authorized application of state or civil power, and do not preclude the enactment of restrictive or regulatory legislation curbing general carriage of firearms as long as outright prohibition is avoided. Despite these rulings, public feeling persists that availability of arms to non-criminal citizens should not be interfered with, and that such regulation as exists should not be enforced to the inconvenience or restraint of ordinary individuals.

In Canada no such constitutional guarantees exist, either federally or provincially. Furthermore, there is an absence of either official or public opinion conceding the right of any citizen to acquire and carry arms, no matter how legitimate his purposes may be. On the contrary, a bristling array of federal, provincial and local legislation not only curbs the accessibility and use of all kinds of offensive weapons for criminal purposes, but hedges with a variety of restrictions the possession and employment of firearms for legitimate objects.

War On Small Arms

In Canadian statutory regulations and in such effort as has been made in the United States to check handling of weapons, the main provisions have been concentrated on small arms (pistols and revolvers) and all other concealable weapons such as sawed off shotguns. Thus principle appears based on the belief that it is difficult if not impossible for a person or group of persons to acquire, carry and utilize a full size firearm without attracting attention. It is assumed that such attention would lead naturally to restraining action by constituted authority.

Theoretically, Canadian citizens enjoy full freedom to acquire, keep, carry and use any full size rifle, shotgun or other weapon incapable of being concealed about the person. All aliens, including hunters, must have a special permit under federal law (the Criminal Code) merely to possess any firearm, concealable or otherwise. But even Canadians, though unhindered from obtaining and possessing full size firearms, fall under restrictions on the carriage and use of such weapons.

If a Canadian wants to go hunting with any firearm, he must in most provinces get a permit from provincial game authorities, unless he is a farmer hunting on his own land. He is forbidden to discharge firearms in game areas at night or on Sunday, and he may not carry a loaded shotgun or rifle in any vehicle.

Should he be interested in marksmanship rather than hunting, he cannot indulge in target practice at his home (unless he has a soundproof basement) without violating municipal anti-noise and public peace ordinances. Should he be a pistol or revolver marksman, he is subject to official scrutiny and regulation in the purchasing, possession, carriage and use of his weapon.

With what are regarded as adequate curbs on the improper use of non-concealable firearms and other weapons, the closest possible restriction is exercised to prevent any extensive distribution and use of concealable small arms. The obvious danger of permitting the uncurbed carriage and use of concealable weapons has been recognized in Criminal Code provisions dating back many years, but in 1933, 1934 and 1936 these restraints were stiffened by imposing close regulation also on the purchase and possession of such weapons.

Law Strengthened

It has always been necessary to have a permit to carry a concealable firearm, whether it was concealed or not. The amendments made it an offense to carry such a weapon in any vehicle, and extended the definition of concealable weapons to include sawed off shotguns and rifles. Another change was to take the issuing power for carrying permits out of the hands of local police authorities and centralize it in the hands of the heads of provincial police forces.

U. S. Restrictions Less Severe Than Canadian

Provincial police chiefs (or R. C. M. P. officers in areas without provincial police units) were also entrusted with the task of regulating the purchase of all concealable weapons, including firearms, knives, clubs, etc. Not only must dealers in pistols and revolvers be licensed and submit to supervision, but anyone wishing to buy or even borrow a concealable weapon of any kind must get a special permit specifying the particular weapon to be brought or borrowed. Such permits are issued only after careful investigation and upon satisfaction of the police officers concerned that the purchases are for legitimate purposes.

If the concealable weapon acquired is a pistol or revolver, the owner must also register it with local police authorities to make mere possession of the weapon legal. This requirement applies also to military and police weapons, so that the central register at Ottawa combining all local registrations forms a complete record of all legitimately owned pistols and revolvers in the country. In Toronto alone, more than 18,000 weapons have been registered since the recording was begun late in 1934.

Aid to Convictions

This new registration rule has done much to reduce the number of firearms in the hands of criminals and irresponsible persons. If a man arrested or otherwise coming in contact with police is found with a gun for which he has no registration certificate, it is usually possible to trace the gun to its rightful owner through the central firearms register. In most cases police are able to charge him not only with failure to register a firearm and theft of the weapon, but also with theft of valuables he has stolen from the premises where he stole the gun.

As weapons which prove to be stolen or unregistered are naturally not covered by carrying permits, numerous convictions have been obtained for lack of such permits. The criminal cannot, however, be charged as well with lack of a purchase permit should he have bought or borrowed the weapon involved, as the law imposes the penalty for unsanctioned sales upon the person who sells, gives or lends the gun in question.

In addition to the close official check on acquisition and possession of firearms, there is an even more stringent restriction on the carriage and use of concealable weapons. Imprisonment up to five years is the penalty provided for any person who carries about without a permit any firearm capable of being concealed on the person.

Who Can Get Permits?

The federal law not only vests sole control over such permits in the Commissioner of the R. C. M. P. or his designated deputies, or authorized representatives of provincial attorney-general, but restricts the basis on which such persons may issue the permits. The issuing officer must be satisfied that the carriage of the weapon involved is necessary for "protection of life or property, in connection with profession or occupation, or for target practice in a regularly organized shooting club approved by the attorney-general of the province." In effect this means that permits can be obtained by private citizens only in exceptional circumstances; by bank guards, watchmen, railway postal clerks and similar persons; and by legitimate shooting clubs.

Permits must be renewed each year, and are issued only for specific weapons except for blanket permits to enable gun club secretaries to carry a number of weapons to target establishments.

Such reckless brandishing of firearms as the demonstration by Homer Martin is penalized in Canada by Criminal Code clauses relating to pointing of any firearm, and to carriage of any offensive weapon (concealable or not) with "intent unlawfully to do injury to any other person."

Provocation of violence in labor troubles is curbed by various provisions of the law, notable among which is that penalizing those who lie in wait for persons returning from public meetings with intent to commit assault or be abusive in such a way as to provoke a breach of the peace.

When Congress was asked in 1934 to pass a bill for federal regulation and restriction of concealable weapons, the net result was an emasculated measure (National Firearms Act) applying only to sawed off shotguns and rifles, machine guns, and mufflers or silencers. The original bill supported by the Department of Justice emerged from committee specifically excepting pistols and revolvers, and accompanied by a report declaring flatly there was "justification for permitting the citizen to keep a pistol or revolver for his own protection without any restriction."

Even the original bill had to be drafted in circuitous fashion to evade constitutional obstacles to imposing outright federal regulation, and was based solely on federal power to regulate sales through exercise of the Government's taxing power and authority over interstate commerce. Even after amendment, the act's constitutionality was challenged and upheld only this year. It was opposed not only by target shooting and huntsmen's organizations and the American Legion, but even by the National Law Enforcement Commission and the Conference on Uniform State Laws.

The last named body contended that greater progress had been and could be made by extended adoption of the so-called "Uniform Firearms Act" by various states, than by application of federal curbs.

Legislation Modified

The standard bill referred to has been adopted by only 10 or 12 states, and in most cases the draft provisions were modified or changed to suit local viewpoints. The original uniform act provides only for regulation of dealers, for carrying permits of concealed (not concealable) pistols, and for a loose check of purchases and pawning transactions after they have been made. Many other states have firearms legislation not based on the uniform act, but taking the country as a whole the regulations from state to state are so varied and so irregularly enforced as to be practically ineffective.

A notable contrast between Canadian laws and some of the state laws below the border is that in Canada the strictest regulations apply to all weapons capable of being concealed, while in many states restriction is applied only to the carrying of weapons actually concealed on the person or in a vehicle. In Canada and the more progressive states, a man who carried a revolver or sawed off shotgun down the street in his hands or slung over his shoulder would be no more exempt from the regulations on purchases, possession and carriage of small arms than the man who had a weapon in his pocket or strapped under his armpit.

PROMOTED

S. M. Finlayson, for some years assistant to the general manager of Canadian Marconi Co., has recently been promoted to the position of deputy general manager.

Quebec Stocks Non-Taxable If Owned By Non-Residents

From Our Own Correspondent

MONTREAL. — The securities of corporations with head office in Quebec registered here but held outside by non-residents, are not subject to Quebec succession duties, according to a judgment handed down by Mr. Justice Aime Marchand.

The judgment eliminates a ruling of the Quebec Succession Duties department, which has caused considerable irritation to estates outside of the province which hold securities of companies having their head office in Montreal and having no registry office for their securities outside of this province. For instance, Canadian National Railway bonds registered in Montreal were held by the department to be liable to succession duties in this province, while bonds which were not registered were not taxed.

His Lordship's ruling was handed down in connection with a case brought by Toronto General Trusts Corp., as executor for the estate of A. W. Austin, former president of the Dominion Bank. Mr. Austin died in Toronto on July 5, 1934, leaving among his assets 3,210 shares of Consolidated Mining and Smelting Co. stock. The head office of this company is in Montreal. Of the shares, 687 were registered at the Montreal transfer agents of the company, the Royal Trust Co., and the remainder at the Toronto transfer office. Quebec demanded payment of succession duties on 687 shares which were registered here, valued at that time at $103,393, and on dividends due on the entire 3,210 shares.

As regards dividends which were payable on the entire 3,210 shares, the judgment upholds the right of a province to charge succession duties.

A transfer carried through a branch registration office, it was held, is just as valid as one at the main transfer bureau.

Montreal Apt. Calls Bond Meet

Requests Modification of Sinking Fund Payments

From Our Own Correspondent

MONTREAL.—A meeting of holders of the 5½% first mortgage bonds of Montreal Apartments Ltd. has been called for Nov. 12 next for the purpose of sanctioning a modification in the sinking fund.

It is proposed that commencing in the current year, sinking fund payments should amount to $40,000 annually plus an amount equal to the annual interest on bonds redeemed. However, these payments are to be made only to the extent that surplus revenue is available, unpaid balances being cumulative and payable out of surplus revenue in subsequent years. Annual sinking fund requirements at the present time amount to $66,000 annually.

Montreal Apartments Ltd. bonds are secured by a first mortgage on the Chateau, Drummond and Drummond Court Apartments and are personal obligations of the owner, P. R. DuTremblay. There are $3,518,500 first mortgage bonds outstanding and $565,500 of 7% general mortgage bonds.

Earnings Decline

At the present time, the properties are about 97% occupied, but in common with other apartments they have suffered from declining rentals. Rentals in 1936 totalled $449,547 and earnings available for bond interest totalled $226,007. First mortgage bond interest amounted to $198,440. Recently there has been a slight improvement in rentals and earnings in 1937 are expected to be about the same as in 1936.

Earnings are not sufficient to meet general mortgage charges, but in order to preserve his equity it is in the interest of the owner to provide same. For this reason, bondholders are being asked to permit the present owner, if he so desires, to transfer a part interest without the transferee of such part interest becoming liable upon the bonds.

What's New About the New Plymouth

NUMEROUS IMPROVEMENTS ADD TO THE BEAUTY . . . COMFORT . . . SAFETY AND PERFORMANCE OF THE NEW 1938 PLYMOUTH . . . HERE ARE JUST A FEW!

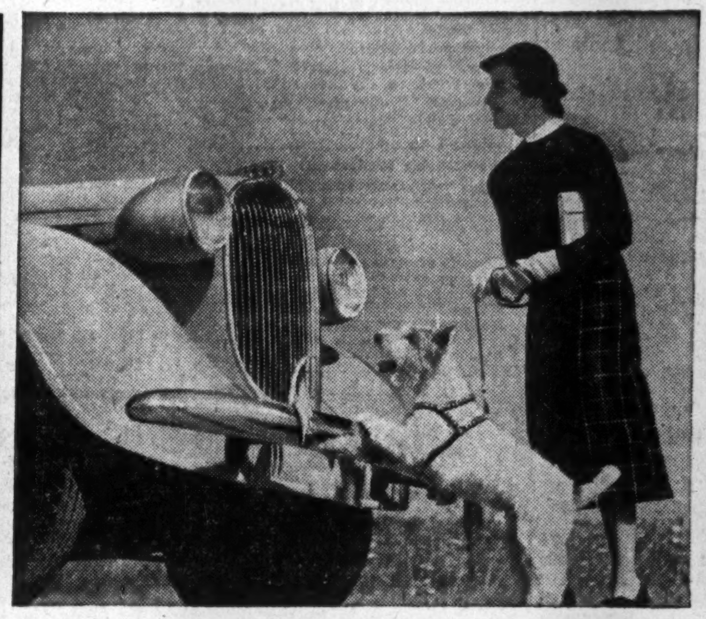
ANOTHER TRIUMPH OF CHRYSLER ENGINEERING

This big, handsome 1938 Plymouth celebrates the triumph of an idea conceived and carried out by Walter P. Chrysler 10 years ago.

The idea: to bring fine-car quality and engineering into the lowest price field.

The result: in the last 10 years thousands of Canadian motorists have swung to Plymouth!

Today, go and see Plymouth's new 1938 car. See how 10 years of *better* and *better* cars have made Plymouth the sensation of the lowest price field.

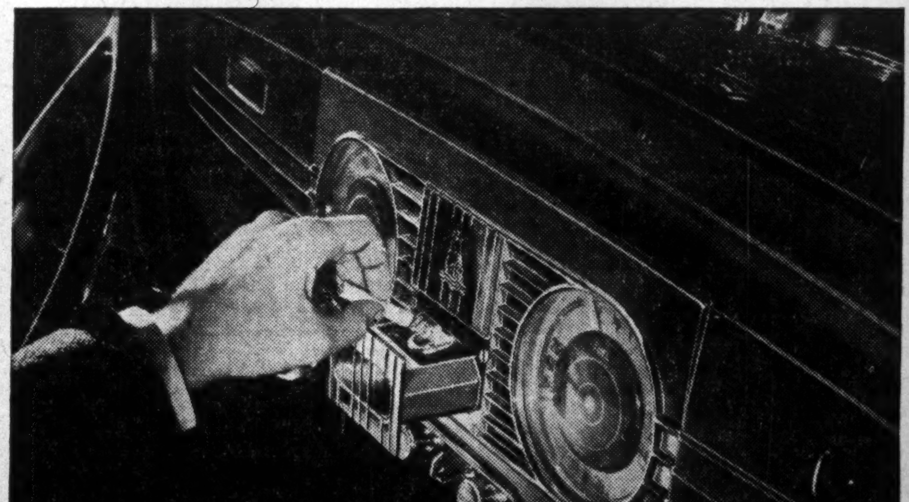


[MORE CAR FOR THE MONEY]

The new 1938 Plymouth you see here is priced with the lowest! The Commercial Credit Corporation offers very convenient payment terms—through Chrysler-Plymouth dealers. You can arrange payments to fit your budget. *Tune in Major Bowes Original Amateur Hour, Columbia Network, Thursdays, 9 to 10 p.m. E.S.T.*

1 **Look at the Gleaming New Front End** of the beautiful, new 1938 Plymouth! You'll admire the new radiator. Fenders sweep clear around it. See that long hood . . . headlights are bigger and more efficient. And Plymouth's famed Floating Power engine mountings are even further improved.

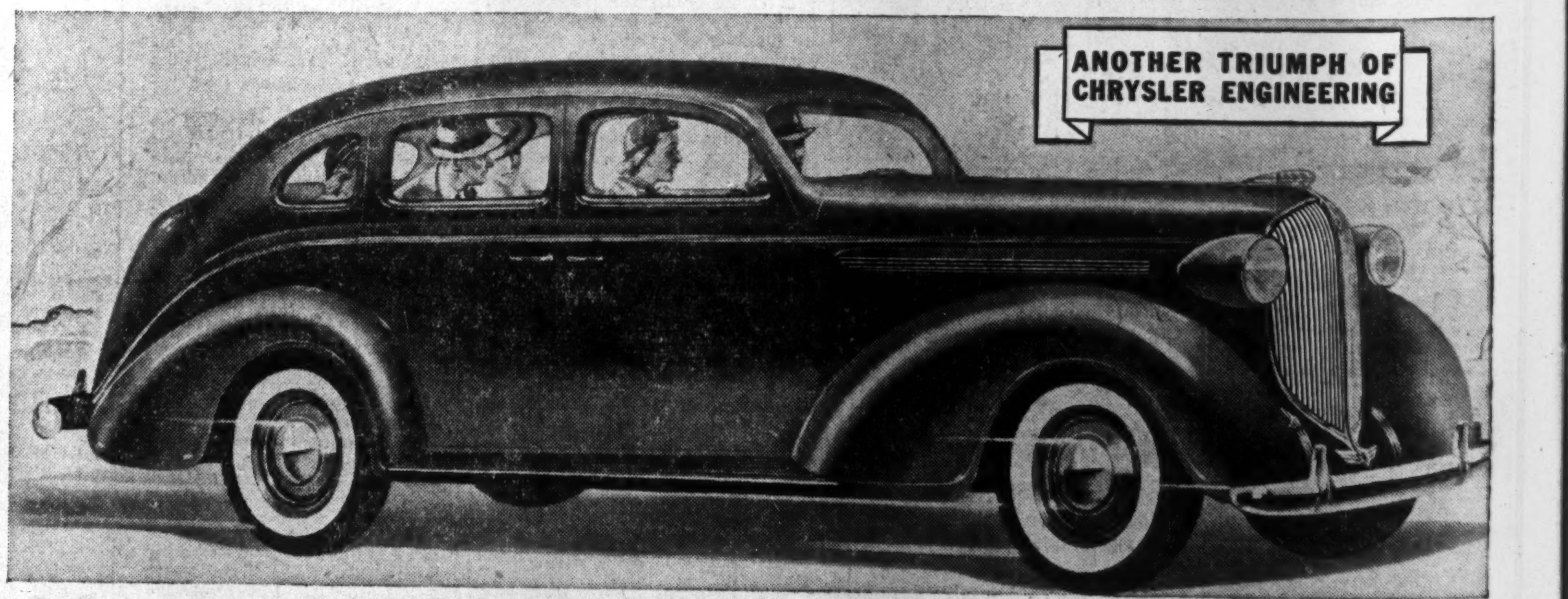
2 **Look How Easily He Adjusts the Seat** to suit his size! The front seat of the new 1938 Plymouth slides upward as you move it forward. All seats are "chair-height."



3 **The Lady is Holding** the new hand-brake. It's out of the floor and under the instrument panel. Her left foot will discover the clutch works easier—takes 15% less pressure to operate. The starter works easier too.

4 **This is New, too!** The speedometer and other instruments are in the middle—easy to read. The beautiful new instrument panel is "safety-styled." to give an added measure of safety to front seat passengers. The windshield is bigger . . . gives greater driving vision. The ash tray is the large drawer type. There is a big glove compartment with a new type latch.

5 **Roomiest Trunk** ever built into a Plymouth! The floor is covered to protect your luggage. There is no sill . . . you can slide heavy bags in without needless lifting. Spare wheel is out of the way. It's a big trunk for a big, luxurious automobile.



6 **Lift the Hood** look at that 82-horse-power, engine. Plymouth is thrilling to drive yet economical. Fuel bills are LOW! And you'll save on every item of upkeep!

7 **There's Fresh New Beauty in this 1938 Plymouth**—and solid value throughout, from frame to finish. It's a big car with an all-steel body and rigid X-type frame. And an economical car. It keeps on saving you money . . . Plymouth owners regularly report 21 to 27 miles to the gallon of gas . . . lowest upkeep costs. It has a high resale value because it's built to last! Today, take this big 1938 Plymouth out and put it through its paces. Find out how beautifully it handles and rides. Check what it offers you. It's priced with the lowest!

See the 1938 Plymouth

GET YOUR LOCAL DELIVERED PRICE

Your Investments

What We Do:

1. Give information on Canadian securities to Financial Post subscribers.
2. Publish anonymously letters of general interest.
3. Supply facts rather than opinions.

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1. Answer enquiries of non-subscribers.
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3. Reply by telephone or telegraph.
4. Select lists of securities; express opinions; or make forecasts.

Three-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. Address letters to The Financial Post, 481 University Ave., Toronto 2.

Gypsum, Lime

We would like your opinion on Gypsum, Lime and Alabastine, of Canada, shares.

Gypsum, Lime and Alabastine, Canada, has had difficulties with management. A number of shareholders favored a change in the board, but at a special meeting last July, the present management was upheld. So far as the company itself is concerned, we understand that sales have shown a satisfactory increase, but this year there have been some unusual expenses. During the year ended Nov. 30, 1936, net earnings totalled $463,697. This was the best showing made since 1931. After providing for interest charges, there was a net profit of $39,046. However, this latter figure does not include provision for sinking fund on the bonds, which has been in arrears for some time. Earnings on the common stock have been negligible for several years and there is no prospect of a dividend until the sinking fund has been restored to good standing.

Goodrich Bonds

Kindly give me a brief summary of the position of Canadian Goodrich 7% income bonds.

Canadian Goodrich Co. 7% income bonds are junior to a small first mortgage issue. No interest is being paid this year, because under terms of bonds net profits in 1936 were not adequate to allow such a distribution. This illustrates one of the unsatisfactory features of the income bonds. The company's income has not been stable, and interest on securities is, therefore, liable to fluctuate. The company, however, has strengthened its liquid position materially and its capital has been so arranged that it is free from excessive burdens of fixed charges.

United Securities

I would greatly appreciate any information you can give me regarding the fall in price of United Securities bonds.

The Quebec Government proposes to hold an enquiry into the contractual relationships between the Montreal Tramways and the city of Montreal. As you are probably aware the principal holdings of United Securities are common shares of Montreal Tramways Co. If the Commission decides that the fixed return under the contract between the city and the tramway company should be reduced, it is possible that the dividend paying ability of Tramways would be affected and in turn the earning power of United Securities. This Commission has not yet been formed, but it is anticipated that some action will be taken in the near future.

Mercury Mills

Can you let me have a report on the position of Mercury Mills Ltd.?

Early in Sept., 1937, we were informed that a general improvement had taken place in sales, production and profits of Mercury Mills Ltd. Its liquid position has also been strengthened. At that time, with best portion of the year still ahead, the company hoped for improved showing over the whole year. The company has reported losses in each of the past seven years, that for 1936 being $21,358 as compared with $46,037 in 1935. No dividends have been paid on 6% preferred stock since Nov. 1, 1930 and arrears totalled $36 a share at end of 1936. Full interest has always been paid on 5½% first mortgage bonds but sinking fund payments for past four years, amounting to approximately $160,000, were in arrears at end of 1936.

Stop & Shop Bonds

Could 6% first mortgage bonds of Stop & Shop Ltd. be considered a "safe investment" and is there a fair assurance that the company will be able to pay its interest?

Stop & Shop Ltd., has been able to pay full interest on its 6% first mortgage bonds but report for year ended Feb. 23, 1936, latest period for which a complete report is available, showed an operating deficit of $30,251 before interest on depreciation. Since that time the company's operations have been merged with those of Thrift Stores Ltd. Although Thrift Stores assumed no liability in respect to the bonds of Stop & Shop, it is stated that rental from real estate, store properties and equipment will be sufficient to meet bond interest, depreciation and other charges. In July, 1937, Thrift Stores Ltd. issued its report for the year ended Mar. 27, 1937, showing a net deficit of $93,613 as compared with $1,052 in the previous fiscal year. A portion of this loss was due to expenses incidental to amalgamation of company with Stop & Shop but report indicates that amalgamation has been beneficial. Of the total deficit for the year $56,037 was incurred during the five months prior to the amalgamation and $37,576 during the eight months since. Of the latter amount, $26,403 was for non-recurring expenses. Steps have been taken since the amalgamation to close a number of unprofitable stores, particularly in the Montreal area, while extensive alterations have been made in a number of Toronto stores to convert these into self-service stores. Remodelled stores, which have recently been reopened have shown a substantial increase in sales.

Godfrey Realty

I am thinking of buying the 4% bonds of Godfrey Realty Corp. and would appreciate a report on this bond.

The 4% bonds of Godfrey Realty Corp. are not quoted as yet. They will be given in exchange for present 6% bonds of that company in accordance with a plan of reorganization which was adopted on Sept. 30, 1937. The exchange will probably not take place for another month and meantime, we understand that there are no regular quotations on 4% bonds. Present 6% Godfrey Realty Corp. bonds are quoted at around 46 to 47. If you are interested in buying Godfrey Realty Corp. bonds it would be necessary to purchase the 6% bonds which will be exchangeable for same principal amount of new 4% bonds, due June 1, 1952, and one new common share for each $500 of bonds held.

Burnaby

Can you give any information as to when the District of Burnaby will be able to resume payment of debenture interest?

District of Burnaby, a Vancouver suburb, has been in default for approximately five years and is being administered by a commissioner appointed by the province. It appears likely that some time will still elapse before municipality will have re-established its finances on sound basis and we understand that no steps have yet been taken toward refinancing. Accumulative tax arrears were $383,221 at end of 1936 as compared with $475,871 at end of 1935. This represents a substantial decrease but tax sale lands held by the municipality have increased from $1.8 million at the end of 1935 to $2.1 millions at the end of 1936. The district's funded debt was $3.1 millions at Dec. 31, 1936, of which $314,000 was in default as to principal. Sinking funds on hand were only $175,374.

Alberta Wood

Will you please let me have some particulars regarding the finances and earnings of Alberta Wood Preserving Co.? I am thinking of selling this security and would like to know how I could reinvest the money to give me the same yield as I am now getting on Alberta Wood Preserving preferred stock.

Dominion Tar, parent company, publishes a consolidated balance sheet, so we have no information upon earnings or financial position of Alberta Wood Preserving Co. There is no official indication that Dominion Tar assumes any obligation in respect to Alberta Wood Preserving preferred but we note that the dividend on preferred is put in as a charge ranking senior to Dominion Tar's own preferred.

The yield of 7% on the stock is attractive and you would hardly be able to re-invest your money under such favorable terms. The preferred is callable on 60 days' notice at $105 and accrued dividends. The offer made to you, namely, 101 is still four points below the call price.

Saskatoon

Can you give me a report indicating whether or not Saskatoon 5% bonds are a desirable purchase at current prices?

Saskatoon was understood to be in a better financial position at end of 1936 than at any time since the depression. For second successive year city has reported surplus, revenue exceeding expenditure by $21,407. Profits from the city's utilities and surplus earnings from its large sinking fund have offset to some extent poor tax collections. In 1936, city transferred $102,861 from its sinking fund earnings and transfer of a further $105,000 in 1935 has been provided for by budget. Profits from city's utilities in 1936 were $304,000 while earnings for 1937 are estimated at $318,500. A reduction of $463,937 was made in net debenture debt in 1936, bringing this to $9.5 millions. Collections of current taxes amounted to only 61.1% of 1936 levy. Total tax arrears were $5.1 millions, or almost twice amount of 1936 levy. Position of Saskatchewan municipalities will be injured by severe crop failure. Saskatoon has not been in the worst area but conditions in the surrounding country have been poor for some years. The problem of relief costs is becoming an acute one for all cities in the province and they are at present seeking further relief from the Provincial Government. Market on Saskatoon bonds is not very active at present and 5% bonds are quoted in Toronto at around 60 bid to 70 asked.

Gatineau Power

Will you please let me know something about the earning power of Gatineau Power's new common stock. In the event that Ontario Hydro takes the balance of its power this year, what will earnings be?

Gatineau Power, on the basis of reported and indicated earnings, should be able to pay a dividend on common by the end of next year, provided that the company is successful in carrying out its refunding operation.

It is anticipated that there will be an increase in power deliveries to the Ontario Hydro. On the basis of present deliveries, it is anticipated that the company will be able to earn around 70 cents a share on common. If, as and when the company makes full deliveries to Ontario Hydro, it is possible that earnings on the common will exceed $1 a share.

Riverside

Can you tell me when the town of Riverside will be able to resume payment of debenture interest?

Riverside has been in bad financial condition and it is quite likely that bondholders will have to accept considerable loss in any refinancing plan. We are informed that Department of Municipal Affairs of Ontario has taken initial steps toward preparing some plan. Late in 1934, Thomas Bradshaw recommended that bonds be refinanced at 3% and that substantial amounts be written off principal. We understand improvement has taken place since that time. It will probably be some time yet before Riverside's finances are re-established on a sound basis and the town is able to resume payment of interest.

Winnipeg Electric

I purchased some Winnipeg Electric bonds at a price above the present market and would like to know if there have been any particular developments affecting the market of these securities.

Winnipeg Electric bonds, aside from the market condition, have been affected by the loss of the contract made by the company with the Winnipeg civic hydro system. This will result in a drop in revenue. It is understood that negotiations are proceeding with a view to having this contract renewed. Another development is the finding, through arbitration, that the company should gradually restore 10% wage reductions.

Dominion Woollens

I am thinking of buying Dominion Woollens & Worsteds, Ltd., 6% bonds and would like a report on the company's operations and prospects.

Dominion Woollens and Worsteds Ltd. has recently changed its fiscal year end from June 30 to Dec. 31. For that reason it will not be issuing a complete annual report covering 12 months ended June 30, 1937, but we are informed that in near future company will issue summary of operations during that period. Gross profit of company for ten months ended April 30, 1937, was about $269,000 as compared with about $154,000 for same period of previous year. Net income, after inventory and bad debt reserves, and depreciation, was $105,000 for first ten months of current year as against about $11,000 for same period ended April 30, 1936. Since then serious strike occurred in company's Peterborough plant and it is probable final results will not make as favorable showing as at first indicated. Bond interest, which has been payable only if earned until July 1, 1937, becomes a fixed charge with first payment on this basis due Jan. 1, 1938. No interest payment has been made for some years. Company's record has not been very satisfactory and its first mortgage bonds must be regarded as speculative. Its success in any year is somewhat dependent on course of wool prices, with a larger profit made in periods of rising prices.

Catelli Food

Will you kindly outline the position of Catelli Food common stock, and preferred stock. What are the prospects?

Rising costs of raw materials have probably affected earning power of Catelli Food Products, but, on the other hand, it is expected that the statement for the end of Nov. 30 next will make satisfactory reading to the shareholders. The company paid an interim dividend of 25 cents a share on the common stock last May, indicating that earnings are holding up. During the year ended Nov. 30, 1936, the company earned $1.67 a share on the preferred stock, as against dividend requirements of 75 cents a share. Earnings on the common totalled 80 cents a share. If these earnings are maintained during the current year, the company should have no difficulty in continuing its present dividend policy.

Can. Marconi

Will you be good enough to furnish us with a report on Canadian Marconi shares?

Canadian Marconi Co.'s current operations are understood to be on a somewhat better basis than last year, when net earnings amounted to $401,474. The latter represented the best earnings in several years and was equal to three cents a share. The company has not been able to establish anything like an adequate earning power in relation to its capitalization. No dividends have been paid.

Dominion Bonds

I have been offered an exchange of $25,000 Dominion of Canada 3% perpetual bonds, plus around $400 in cash, for my present holdings of $22,500 Dominion 3¼% bonds, due 1966. I would appreciate your comments on this suggestion.

Dominion of Canada 3% perpetual bonds have not proved a popular bond with Canadians. Use of this type of financing, while fairly general in Great Britain, has never become common in Canada and a bond having a fixed maturity date is much more popular. This has largely accounted for the slow market prevailing on the perpetuals. As for the suggested exchange of $22,500 Dominion 3¼% bonds, due June 1, 1966, for $25,000 Dominion 3% perpetual bonds, advantage appears to be the increase of $18.75 in annual income. Your principal would be increased $2,500, but unless the perpetual bonds were called at Sept. 15, 1966, there might be little opportunity for you to realize this increased principal.

Niagara Wire Weaving

I am considering an investment in shares of Niagara Wire Weaving Co. and would appreciate a review of the company's position.

Capital of Niagara Wire Weaving Co. outstanding consists of 110,000 common shares par value. Company's working capital at March 31, 1937, was $736,000, or about $6.70 a share. Company's plants are offset by a large depreciation reserve, and patents are carried at $1 so equity per share of $8.93 consists largely of net working capital. Earnings in year ended March 31, amounted to $2.53 a share on present stock on which dividends are being maintained at $2 a share annually. Prospects depend to a large extent upon demand for paper and activity in newsprint industry. Principal product is wire mesh cloth used in papermaking, for which there is steady demand, depending upon activity at paper mills. There has been a substantial volume of business in this line and there is no reason to believe the company has not obtained its share of the volume. Of course, there has been some increase in the price of such materials as copper, which tends to reduce the proportionate earnings. Even with very severe depression of newsprint industry in recent years, the company has been able to maintain satisfactory position.

Hiram Walker

I understand that earnings of Hiram Walker-Gooderham & Worts, Ltd., have been around $8 a share in the past year. Is there any prospect for higher dividends?

Hiram Walker-Gooderham & Worts, Ltd., reports earnings available for common stock of $8.20 a share for fiscal year ended August 31, 1937, compared with $6.56 a share in the previous year. The company has given no indication of any intention of changing the present dividend rate of $2 a share, although earnings and financial position indicate ability to do so. Early in 1936, company sold $8 millions of convertible debentures to provide necessary funds for construction of plants in United States and for additional working capital. Through conversion into common shares or redemption for cash this debenture issue has been reduced to less than $4 millions by June of this year. These debentures bear interest at 4¼% and will not provide very heavy strain on company's cash, now that outstanding amount has been reduced to $4 millions. Chief centre of company's operations is now the United States where it is one of largest units operating in liquor industry. All companies operating in United States have made every effort to build up large stocks of matured spirits as quickly as possible following repeal of prohibition. Late this year, the first of these stocks will reach sufficient maturity to be released for sale. In view of the rapid rate at which these stocks were built up and the failure of consumption to attain proportions shown in pre-prohibition days, some fears have been expressed as to ability to maintain satisfactory price structure in the industry in that country.

United Fuel Feels Higher Coal Cost

Three Months Earnings 76 Cents a Share on Preferred

United Fuel Investments Ltd., Hamilton, reports net profits of $68,261 after income tax for the three months ended June 30, equivalent to 76 cents a share on the 6% preferred stock. The period is one of seasonal decline in sales of coke and gas and is therefore not indicative of annual earnings.

In the year ended Mar. 31, 1937, the company earned $4.79 a share on the preferred compared with $2.37 a share in the preceding year.

In the annual report signed by S. A. Morse, president, he comments that earnings for the last financial year improved due to increased sales of both coke and gas combined with lower operating expenses and interest charges. He says, however, that recent U. S. legislation relative to fixing prices for bituminous coal are of serious import to the company as is shown by material increases in the cost of coal now being bought for this year's operations.

Three months' figures follow:

Profit and Loss Account
Three Months Ended June 30, 1937

	$
Profit from operations	223,293
Less: Bond interest	70,431
Bond discount, etc.	9,652
Premium on bonds purch.	1,255
Depreciation	54,768
Net profit before income tax	87,187
Less: Prov. for income tax	18,927
Add: Adjustment	786
Previous surplus	1,014,181
Surplus forward	1,083,228

United Corporations Reducing Arrears

From Our Own Correspondent

MONTREAL. — Directors of the United Corporations Ltd., have declared a dividend of 75 cents a share on account of arrears on the class A stock, payable Nov. 15 to shareholders of record Oct. 30.

Following this payment the stock will be $1.87½ in arrears. Three previous declarations of 75 cents each have been paid on the A stock this year.

Last year United Corp. reported a net profit of $144,112, equivalent to $2.24 on the class A stock. This contrasted with $1.09 a share the year before.

Investment Trust Changes Policy

Corporate Investors Liquidating Value About $7.10 a Share

Corporate Investors Ltd. has abandoned its former policy of offering its shares at a fixed price and has announced that its general distributors, City & Dominion Co., has been instructed to take applications at unstated prices per share. Actual price will be determined on the basis of the break-up value of the shares at the close of business on the day the application is received.

Wide day-to-day fluctuations in the stock markets have been responsible for this policy which has been in effect from Sept. 12. A reduction in the price at which Corporate Investors shares were offered was made on July 8, 1937, when a price of $8 a share was established against $8.50 a share previously quoted.

On Oct. 12, 1937, a price of approximately $7.10 a share was indicated, on the basis of liquidating value. The company states that actual rate of return on investment funds has increased approximately 28% over the rate earned in the year ended April 30, 1937.

Smith, Fairbanks & Co. Admits New Partner

From Our Own Correspondent

MONTREAL.—Smith, Fairbanks & Co., members of the Montreal Stock Exchange and Montreal Curb Market, have announced that J. Stephen Oppe has been admitted as a general partner of the firm.

Following graduation from McGill University in 1930, he was connected with the Canadian Pacific Railway for five years in various capacities. In May of this year, he became associated with the firm of which he is now a partner.

Canadian Investment Fund Jumps Dividend Rate

From Our Own Correspondent

MONTREAL. — Canadian Investment Fund has declared a dividend of five cents a share, payable Nov. 1 to shareholders of record Oct. 15.

Following this payment, total distribution this year will be 20 cents a share, an increase of five cents a share over the amount paid in 1936.

CANADIAN SECURITIES

Dominion and Provincial Government Bonds
Municipal Bonds
Public Utility
and
Industrial Financing

DOMINION SECURITIES CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

Brown Records Profit on Stock

President Outlines Current Earnings in Soliciting Support For Plan

From Our Own Correspondent

MONTREAL.—Brown Co.'s earnings for the 40 weeks ended Sept. 4 show an increase over earnings for the corresponding period last year, according to a statement made by H. J. Brown, president, in a letter to security holders. The letter asks approval of the plan of reorganization, now before federal district courts.

He listed the balance, after deductions for taxes, depreciation, current and bond interest, at about $1,000,726 for preferred and common stocks in the 40-week period.

While no official particulars have been issued as to the number of proxies received in favor of the plan, it is understood that some revisions are likely to be made before it is finally adopted. Some of the large bondholders are not entirely in accord with the provisions for the senior securities and some minor adjustments are likely to be made. More material changes are expected to be made in regard to the preferred stock, shareholders of which are actively seeking better terms.

FOUNDED 1855
A Safe
REMUNERATIVE INVESTMENT
Canada Permanent Debentures are a favorite security of many thousands of experienced investors. Issued for $100. and upwards, bearing the following attractive rates:
for 1 or 2 years - 3 %
for 3 or 4 years - 3¼%
for 5 years - - - 3½%
A legal investment for trust funds
CANADA PERMANENT Mortgage Corporation
HEAD OFFICE: 320 BAY ST., TORONTO
ASSETS EXCEED $68,000,000

THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870
DEPOSITS ACCEPTED DEBENTURES ISSUED
Mortgage loans on owners' homes at low rates of interest
Capital (Fully Paid), $2,000,000 Reserve Fund, $2,400,000

WHAT LIFE INSURANCE MEANS TO OLD AGE

To men and women in their later years, Life Insurance means freedom from money worries.

It means that, when the protection for the family is no longer needed, the cash proceeds of their Life Insurance policies will provide a guaranteed income for their own old age.

It means that they can retire from active business at 55, 60 or 65 — and take a well-earned rest.

It means that they can continue to enjoy the comforts of a home — and the little luxuries that make life so pleasant.

It means that they can be financially independent and face the future unafraid — with the peace of mind and security that lengthens the span of life.

Today, Life Insurance protects and supports thousands upon thousands of Canadians in their old age — and thus renders a great service to the nation.

L-37B

LIFE INSURANCE
GUARDIAN OF CANADIAN HOMES

MEN! LOOK YEARS YOUNGER IN 3 MINUTES

"The Bracer"
new combination supporter makes you feel better—look better
Made by BAUER & BLACK
PRICE $2.75

In three minutes—or, in 3 seconds—you can *look* and *feel* like a new man—simply by slipping on this new "combination" supporter. "The Bracer" is an entirely new kind of supporter that not only guards the vital organs, but supports the stomach muscles.

Tailored to give the utmost comfort, "The Bracer" assures maximum support—has no buttons or buckles—its seams are impregnated with live rubber—cannot loosen or pull out. Its sturdy construction assures continued elasticity through months of hard wear.

EVERY BRACER KNITTED FROM TWO-WAY STRETCH LASTEX

THE BRACER
At Departmental, Drug, Men's Wear and Sporting Goods Stores.

54 YEARS of EXPERIENCE

BECAUSE they EXCEL IN ACTUAL use, Gutta Percha Rubber Transmission and Conveyor Belts, Hose and industrial rubber products are preferred everywhere for low-cost, high efficiency operation. For outstanding quality specify GP.

GUTTA PERCHA & RUBBER, LIMITED
WRITE, CALL or PHONE YOUR NEAREST BRANCH

Insurance

Would Ban Commissions To Border Line Agents

Casualty Men Urge Elimination of Payments to Manager, Trust Companies, Lawyers and Notaries—Insurance Course Proposed

Part time insurance agents, canvassers or spotters comprise a large proportion of those enegeged in the business and "seem to me in a number of instances to be parasites on the business," Hartley McNairn, superintendent of insurance, Province of Ontario told a luncheon meeting of the Ontario Fire and Casualty Insurance Agents' Association at their annual convention in Toronto last week.

Suggestions from the association as to what regulations might be enacted to govern admission to the insurance business and on a revised scale of commissions were invited.

Referring to the intense competition in Canada because of the number of companies selling business, Mr. McNairn pointed out that in United States one and half times the number of Canadian companies had nine times the volume of premiums. Where each Canadian company has available only $100,000 in premiums, U.S. companies have between $600,000 and $700,000.

Open to Abuse

"I don't know that I have any quarrel with the general commission schedule used in this province particularly with respect to the amount of the rate, but the system does seem capable of abuse, has been abused and is inequitable," the speaker declared.

What form of qualification law for insurance agents would be established, Mr. McNairn did not know, but a system of written examinations he did not consider advisable. Increased license fees for insurance agents had reduced the number operating in Ontario by 1,500 this year, he said. There are 6,310 in Ontario with 1,925 of them in Toronto.

More adequate professional training for insurance agents, more equitable rate of commissions and greater restriction of those entering the field of insurance selling were among resolutions adopted by the convention.

Recommendations which the parent body, the Canadian Federation of Insurance Agents, have made to the Dominion Board of Insurance Underwriters were revealed.

They include:

Survey of all items making up insurance expense with a view to eliminating waste, limitation of companies' and underwriters' agencies now operating in groups.

Qualification and limitation of agents which would restrict agency appointments to bona fide agents only.

Elimination of commissions to managers, insurance clerks, adjusters, trust companies lawyers, notaries and "similar objectionable, so-called agents."

Insurance companies would also be asked to agree to the raising of standard by subscribing to suitable rules. It was suggested that each applicant should be required to be a member in good standing of the agency association in the district in which he resides.

The convention, in asking that lawyers be banned from writing insurance, agreed to the principle that insurance men in return give up notarial work and conveyancing.

Ban on Extras

A resolution adopted urged strict enforcement of regulations banning extra commissions or other remuneration and classification of business to determine rates to be paid.

Many agents from Ontario towns protested that men from Toronto were doing business in their territory and netting sometimes as much as 35% commission, whereas the local agent would get only 15% for exactly the same policy.

Several members protested that the public is being victimized by agents ignorant in insurance matters, and it was urged that some course of instruction be established. Since the increase in agents' registration fee has netted the provincial government some $75,000 extra this year, it was felt that a substantial subsidy for this purpose should be forthcoming.

Advertising Programme

A co-operative programme of advertising was proposed in an address by C. M. Lester of Kitchener, and adopted as a resolution.

During the past year the Ontario Department of Insurance has refused the right to enter the insurance business or to continue in it to 170 persons, Charles Johnson, agency officer reported.

Major Brooke Baxter was awarded the cup for the local association having the biggest membership increase.

S. O. Mason, Welland, was returned as president of the association, with Charles Priestman, secretary-treasurer. Vice-presidents named are Rolly Patterson, M.P.P., Owen Sound; C. M. Lester, Kitchener; A. E. Buscombe, Hamilton, and Major Brooke Baxter, Windsor.

Uninsured Losses Show Increase

17% of Fire Damage in Ontario Uncovered, Marshal Reports

Fire loss for the first three quarters of the present year not covered by insurance is over 17% of the total and represents an increase of uncovered cases over the average of the last five years, Fire Marshal W. J. Scott told the convention of the Ontario Fire and Casualty Insurance Agents Convention.

"It seems to me that insurance agents are missing many opportunities for business these days," he remarked.

"The fire marshals throughout Canada feel that a great deal could be done to reduce incendiary fires by the agents watching very carefully the risks which they write, guarding against overinsurance in the first place and scrutinizing the moral hazard carefully. Also the agents should guard against accidental fires by careful inspections of the property at least when insurance is written and each time the policy is renewed.

"Very frequently in our fire insurance work we find the insurance agents lined up against the fire marshal's office and against our investigation," Mr. Scott stated. He related one case in which the agent demanded that an investigation be stopped in a case which ultimately was found to be fraudulent.

NEW AGENCY CHIEF

Charles C. Martin, who has been appointed superintendent of agencies of the Northern Life Assurance Company. He was formerly associated with the Great-West Life as manager of the Toronto 2 branch.

Uniform Mortgage Standards Urged

Investment Lessons From Depression Discussed By Life Executive

"Every depression has a silver lining out of which something worth while is learned for the future," declared E. C. Gill, F.A.S., assistant treasurer of the Canada Life Assurance Co., guest speaker to the 32nd annual meeting of the American Life Convention at Chicago last week.

Sound insurance company investments were the main theme of his address and he pointed out how pre-depression securities of unquestioned worth proved very weak during that period. This, he contended, should provide the investor today with many useful lessons on analysis and investigation.

"Government bonds must continue to be the backbone of strength of life insurance companies. Particular scrutiny should be given to municipalities, which are too dependent on one industry. Companies should rate very highly the bonds of well-regulated telephone and electric utilities serving important areas."

Railroad bonds under conservative financing, Mr. Gill considers "desirable investment for the future."

Mortgage Investment

"We believe that a well-selected mortgage represents one of the strongest and safest investments which insurance companies have made in the past or will make in the future. We urge the necessity of more uniform valuation standards. Companies are limited by law as to the maximum percentage which they can lend, but the method of obtaining the valuation is not governed by any uniform system throughout the country."

Because of the excessive tax burden on real estate, Mr. Gill believes that some adaptation of the English system whereby property is taxed on the income it produces would encourage building and make for sounder values.

Gravely questioning the wisdom of common stock purchases, Mr. Gill pointed out that the insurance business is predicated on a low interest return with about 4% adequate for its needs.

Diversification is one rule painfully emphasized by the depression. Investments should cover many different areas geographically, should cover many different types of industry, Mr. Gill urged.

Highway Safety Tribunal Urged

Proposal to Put Auto Underwriting on Better Basis

The Ontario Government should set up a highway safety tribunal analogous to the department of the Ontario fire marshal according to one resolution submitted to the convention of the Ontario Fire and Casualty Insurance Agents Association. It was laid over for consideration by the incoming executive.

This proposal urged that all highway accidents be reported to the tribunal and that it keep records of all drivers. It would, under the suggestion, be empowered to ban many-accident drivers from the roads.

Such a tribunal, it was urged, would put automobile underwriting on a sounder actuarial basis, and with its driver records would tend to relieve the careful driver of the high insurance rates imposed by the careless.

Insurance Firm Charts 37-year Investment Yield

North American Life Co. produces an interesting chart comparing yield of its investments with the yield of Dominion of Canada bonds for the past 37 years. In the period 1900 to 1918, the insurance company yield was steadily climbing but maintaining a 1½% lead over bonds. In 1920 and 1921 government bond yields practically reached the insurance company yield. Bond yield rapidly fell until 1932 when a sharp rise again brought the two charts close together. Since then bond yields have been declining to around 2½%, while North American yields stand between 5 and 6%.

Tribute to Publisher

Many newspapers have complimented Colonel J. B. Maclean, founder of The MacLean Publishing Company on celebrating his 75th birthday.

"If judged by his achievements and length of service in his chosen field of activity," says The Globe and Mail, "it would be fair to assume that the Colonel should be older than that though his vigor and ceaseless energy betoken a man considerably under the three-quarter century mark.

"Colonel Maclean entered the newspaper field early in life with the old Toronto World, then with the Mail and later with the Mail & Empire, always on the commercial page. His entry to the trade journal field led to the establishment of many periodicals resulting in the founding of The MacLean Publishing Company with branches in all important centres, of which he is chairman . . . Colonel Maclean's friends at home and abroad will wish for him many more years of health, activity and continued success in all his undertakings."

The London Free Press says: "All his life he has had an uncanny sense of what the public wants to know and this largely accounts for the success of such publications as Maclean's Magazine and The Financial Post. He likes to get at the bottom of things and his enquiring mind has taken him to all parts of the world, where he has met and become acquainted with statesmen and business leaders.

"He has always taken a deep interest in the University of Western Ontario. When he first visited the campus he was impressed with its beauty, the opportunities for landscape gardening and the need for laying out an ordered plant for the future. The improvement of the grounds in recent years has been largely due to his generosity. He was given a well-merited honorary degree by the university several years ago."

The Hamilton Spectator: "The Spectator joins wholeheartedly in the congratulations being extended to Colonel J. B. Maclean . . . in founding The MacLean Publishing Company, he carried on the traditions which had distinguished his journalistic work especially in the field of finance and commerce. He is still a vigorous newspaperman who takes the keenest interest in world affairs, having acquired a fund of first-hand information from personal observation and investigation in European and other countries. Such intimate knowledge makes his literary contribution of outstanding significance. May the Colonel be blessed with many more years of good health and useful activity."

The Ottawa Journal.—"Colonel Maclean has played a distinguished part in Canadian life, much of it in journalistic anonymity, and it is good to know that the years are treating him lightly."

Canada Gone Haywire Many Britons Believe

Insurance Man Deplores Misleading and False Reports

Canadians themselves are responsible in some measure for widespread misconception in the United Kingdom of conditions existing in Canada, according to A. N. Mitchell, vice-president and general manager of the Canada Life Assurance Co., who has just returned from a six weeks tour.

Mr. Mitchell says there is a general impression that Canada has gone haywire economically and financially. That this belief exists, he feels, may be attributed in part to misplaced emphasis by the Britisher, and in part to misleading, if not incorrect reports circulated both in Canada and the Old Country. As a result there is a tendency to magnify happenings out of all proportion to their true significance.

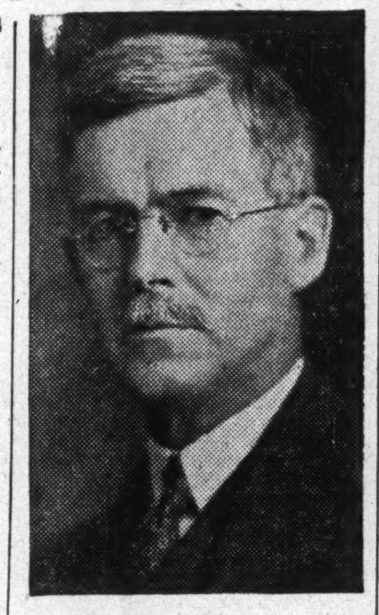
Perhaps the most obvious example is in regard to the West. There appears to be a broad belief that Canada is a land almost entirely laid waste by drought. The Dominion's vast area is disregarded, and reports on crop conditions in Saskatchewan are taken to be representative of Canada as a whole.

Aberhart and Quints

Similar exaggerated emphasis has been placed on the influence and jurisdiction of Alberta's Mr. Aberhart, who, with the Dionne quintuplets, has been sharing a considerable portion of the limelight. A large number of people in the British Isles hold the view that Mr. Aberhart represents the viewpoint of a wide cross section of the Canadian people.

On the other hand, Mr. Mitchell points out that a most receptive hearing is given any description of the actual picture in Canada. The Britishers are anxious to have their misgivings overcome but the necessary information has not been forthcoming.

In regard to Canada Life business in the British Isles, Mr. Mitchell states that this year has shown an appreciable improvement both as to volume of new insurance paid for and in regard to lapse experience.



BRINGS WARNING

A. N. Mitchell, vice-president and general manager of the Canada Life Co., back from a trip to Great Britain, says misleading reports are damaging Canada in the Old Country.

Tells Insurance Men Rates Are Too High

The policyholder is not getting his return on the average of 50 cents on the dollar in some forms of casualty insurance, Hartley McNairn, Ontario superintendent of insurance declared, in addressing the convention of the Ontario Fire and Casualty Insurance Agents in Toronto.

He pointed to the relatively low loss ratio here, also to the underwriting regulations in New York State where 3% to 5% underwriting profit only was allowed. In Canada he implied that profits were much higher.

"The companies in the past few years have made money—some portion of it should be, but has not, been passed on to the policyholder through reduction in rates. Surely if insurance is to continue, the policyholder should at least have a return of 50 cents on the dollar that he pays into the company," the speaker declared.

New Life Business Shows Gain in U. S.

New life insurance production for September in the United States was 1.1% greater than for September, 1936, while the total for the first nine months of the present year was 6.6% higher than for the same period last year. Group insurance increased 40% over last September and new ordinary life was up almost 1%. Industrial insurance declined over 5%.

Insurance Inklings

Lord Knollys, managing director of the Employers' Liability Assurance Corp., was a guest in Toronto for a day this week in the course of his round-the-world tour of his company offices.

W. G. McIntosh, formerly supervisor of agencies in the British division of the Sun Life Assurance Co., has just been appointed assistant superintendent of agencies in head office.

H. W. Manning, assistant general manager of The Great-West Life Assurance Company, was elected chairman of the agency section, American Life Convention, at the annual meeting held in the Edgewater Beach hotel, Chicago, October 11-14.

President Gerard S. Nollen of the Bankers Life Company, Des Moines, Iowa, will be chairman of the 31st annual convention of The Association of Life Insurance Presidents to be held at the Waldorf-Astoria, New York, December 2 and 3.

Int. Metals Defers Plan

But Quarterly Dividends Resumed on Preferred Stock

Directors of International Metal Industries Ltd. have decided to defer any plan for liquidation of arrears of preferred dividends. This conclusion, it is stated, is based on some recession in general business in the United States, where a substantial part of the company's operations are centred.

W. E. Maun, general manager, in announcing resumption of dividends, comments on results as follows:

"Indicated profits for the first eight months are well in excess of those for the whole of the preceding year. While there is usually a slackening of business during the closing months of the year, a satisfactory statement for the year as a whole now seems assured."

A quarterly dividend of $1.50 a share has been declared on both classes of 6% preference stock, payable Nov. 1, to shareholders on record Oct. 25. The last previous payment was 75 cents a share on May 1, 1932. After the current payment, arrears on both classes of preference stock will amount to $32.25 a share.

Earnings in 1936 were equivalent to $7.77 a share on the preferred. Mr. Maun's statement indicates that earnings this year have already passed that figure.

It has been anticipated that when preference dividends were resumed this year a plan would be proposed for liquidating the arrears of dividends at the same time. Various plans for this purpose have been considered by directors.

Sherbrooke Realty Approves Bond Plan

MONTREAL. — Bondholders of Sherbrooke St. Realty Corp. have approved the plan of reorganization whereby the maturity of the bonds is to be extended and the interest rate reduced.

The plan provides that the maturity of the bonds be extended from Nov. 1, 1940, to May 1, 1952, and the interest rate reduced from 6½% to 3½% from May 1, 1937, to April 30, 1942, and thereafter to 4%.

All claims for interest due and unpaid up to and including May 1, 1937, and for sinking fund payments up to that date, are to be cancelled.

S.E.C. Will Not Reopen Inter. Paper Co. Plan

MONTREAL.—The Securities Exchange Commission at Washington has refused to reopen the question of reorganization of the International Paper and Power Co. The Commission had previously authorized the company to issue new securities under a plan of recapitalization.

The request that the question be reopened came from John Lawless, Jr., stockholder, who has since appealed to the first Civic Court of Appeals.

Ontario Handbook

The Underwriters Handbook of Ontario is a new volume prepared for the first time by the National Underwriter which for many years has been publishing similar handbooks covering the insurance field in some 25 states of the American union. Data include lists of all agents in the province, recommending company, members of the firm, other business transacted, subagents, etc.

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REDUCES PROFITS OF EMPLOYER . . . AND EMPLOYEE
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A wage-earner, who is free from financial worries about the future, gives his undivided attention to his work; he is worth more to his employer; his own chances of advancement are better.
Great-West Life Group Insurance is an advantage to all concerned. It places protection within the reach of those who cannot otherwise afford it. They can obtain Group Insurance regardless of age or physical condition.
It relieves the employer of the necessity of giving charitable assistance to families of deceased employees. It reduces personnel turnover, increases efficiency and promotes loyalty to the firm.
We shall be glad to discuss this important problem with you.
The GREAT-WEST LIFE ASSURANCE COMPANY
Head Office—WINNIPEG

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FIRE INSURANCE— "Expense" or "Investment"?
By adopting the Northwestern Mutual plan of fire insurance, business men convert an "expense" into an "investment" paying substantial annual dividends. Last year this mutual company distributed $1,143,727 to policyholders in dividends.
NORTHWESTERN MUTUAL FIRE ASSOCIATION
Non-Assessable Policies Assets $6,000,000.
BRANCHES ACROSS CANADA
Toronto
Hamilton
Ottawa
Montreal
Quebec City
St. John
Halifax
Winnipeg
Saskatoon
Calgary
Edmonton
Victoria
Kelowna
Vancouver

Banking

Boulders Are Seen In Easy Money Path

Economist Believes Insistence on Low Interest Rates Removes Stabilizing Influence Against Peaks and Depressions—Policy Still Untested

Immediate fear of a reduction by United States of the price of gold is unwarranted but an increase in the gold price is not indicated, according to Lionel Edie, economist, in his new book, "Easy Money."*

"It looks as if the United States would have to try to stop the inflow of gold by taxation or other measures of regulation of foreign funds. If such measures prove to be ineffectual stop gaps, the United States might at a later stage find it necessary to lower the price of gold. It is entirely possible that for many years the factors militating against perpetuation of a high gold price may be offset by factors in the opposite direction."

By maintaining a policy of easy money, governments are throwing away their best weapons for controlling booms and depressions, Edie claims, in his study of the bearing of low interest rates on the outlook for the gold standard and on the problem of boom control.

Easy money is a problem just as serious for the big as for the little fellow, Eddie points out. Millions of savings bank depositors, millions of life insurance policyholders, millions dependent for their living on relatively small trust funds—all are victims of this new avowed policy of some governments to keep interest rates low.

Function of Gold

That the old gold standard will ever return in its old form, the author thinks is extremely doubtful. Under the new monetary order, he points out, gold is stripped of its historic functions except that of serving "as the common denominator in a quotation sheet of foreign exchange rates. Like the speedometer on a car which records speed but is not a force in creating or regulating speed, so gold has become a kind of 'goldometer.'"

"Easy money as a policy has not yet survived a panic and crisis," Mr. Edie says. "Until the structure has gone through this seasoning, the creators of this untried mechanism have no right to be dogmatic as to how it will work. Almost any standard will work passably well in fair weather. The old gold standard has survived many storms and although it did not always come through with flying colors, nevertheless it did serve to steady the ship."

Even if the old orthodoxy about gold were restored, it would engender but little public confidence because of the constant fear that what governments did once they would likely do again at the first alarm, he believes, adding: "Public opinion would probably force an abandonment of gold parities much more quickly next time."

Problem For Investor

Government's avowed aim to manage currency introduces a new and difficult problem for the investor, Edie points out. The new gold arrangement has set up human judgments by political authorities as a substitute for automatic adjustments provided under the old gold standard. "Domestic management of currencies requires not only a most skilful exercise of governmental powers but also courage and will to use such powers at the right time. Governments are inclined to exaggerate their skill and power as well as their courage."

Change in personnel is still another problem for the investor. When an election or a cabinet's over-night change of heart can reverse the whole business machinery there is a new and incalculable element in investment planning that, for the investor, is a poor alternative to the continuity and fairly predictable automatic adjustments provided under the old gold standard.

How long easy money will remain government policy, Edie does not commit himself, having in mind the questionnaire sent to a cross section of expert opinion at the beginning of the century. Easy money was then the rule and they were asked how long it would last. They were nearly all wrong by predicting 20 years.

Edie wonders if the turn in the easy money period has not already come, more because of the frequency with which experts have in the past failed to recognize turning points, rather than from the logic of events.

Taxes and Savings

Governments have not yet got the interest rate so securely in the hollow of their hands as they think the author claims. He points to the very probable effect that attacks on private capital through new and more rigorous taxation may have on national savings. Social security legislation is in a sense saving, but it does not provide capital for industry, merely income for consumers.

"Perhaps the nation's willingness to save will wither," the author states, "in which case interest rates would certainly rise as industry starved for new funds.

"Easy money has been carried beyond the point where it has any justification in economic necessity. To claim that the government can gain an important economy by saving an additional quarter of a point on its next offering is to carry the easy money argument to the point of absurdity. Granting that easy money has been a good thing, one must nevertheless point out that this good thing has been overdone. There is, on the other hand, such a thing as a healthy and sound degree of easy money. What this country needs as a first step is to work out of the absurd phase of easy money into a more normal and reasonable phase. It needs to abandon these extremes which stimulate speculation and boom."

Bankers the Goats

Whatever the outcome of the new monkey business, of one thing bankers can be sure, the author states. If things go wrong the bankers will be blamed.

Because the banker has not only his own skin to save, but the skins of thousands of little fellows, the author holds it is his duty "to assume a role of leadership in developing an enlightened public opinion on matters of general credit policy. Governments are in control but they need the influence of outside opinion originating among practical bankers who are out on the firing line. If the bankers fail to assume this responsibility, they will jeopardize the preservation of that degree of independence which they still have. Easy money is the kernel of their responsibility."

*Published by Yale University Press, New Haven, Conn. Price $2.50.

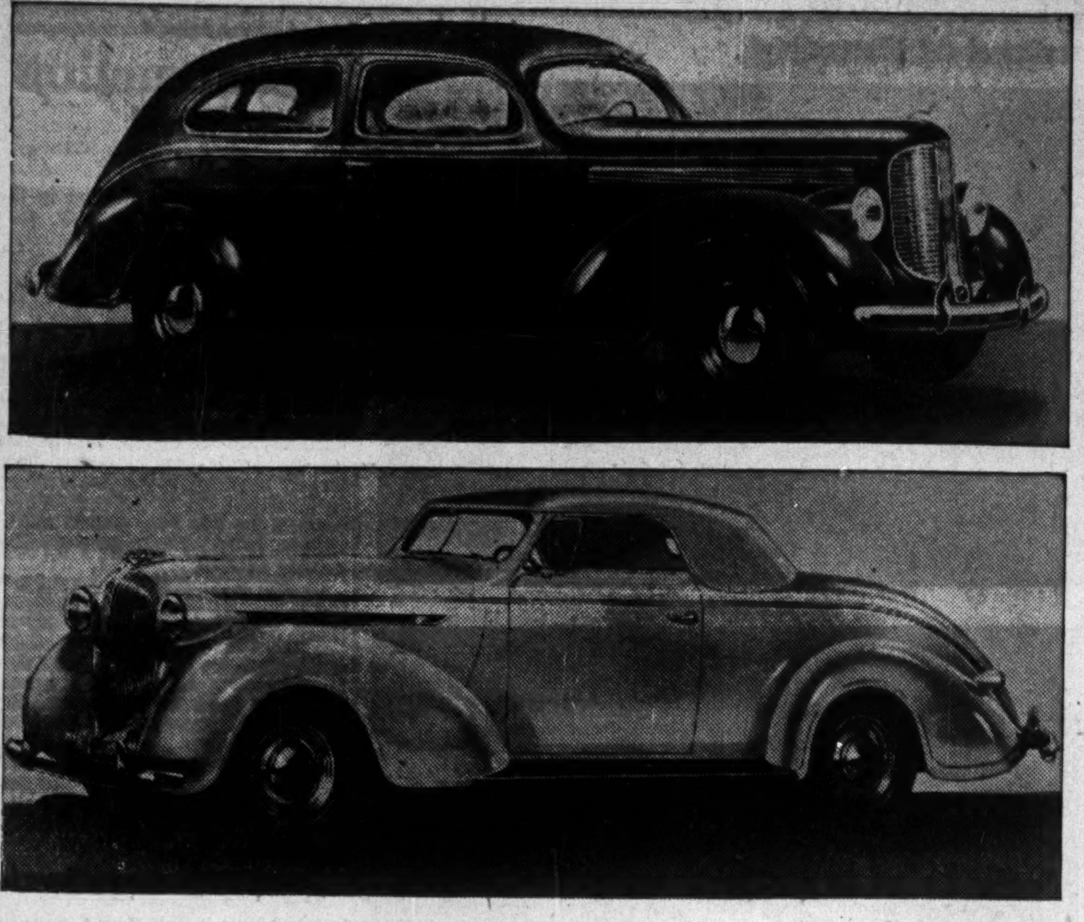
Staff Changes

Imperial Bank of Canada announces the following staff changes: H. H. Mickleborough, formerly accountant, Kirkland Lake, Ontario, has been reappointed accountant, E. E. St. Thomas.

W. Q. Clark, formerly accountant, Timmins, Ontario, has been appointed accountant, Kirkland Lake.

R. K. Hanna, formerly accountant, Cobalt, Ontario, has been appointed accountant, Timmins.

F. J. Dorschell, formerly assistant accountant, Kirkland Lake, has been appointed accountant, Cobalt. The bank also announces closing for the winter months of the sub-branch at Jellicoe.



NEW DODGE AND PLYMOUTH DEBUT

Chrysler Corp. announces its 1938 Dodge and Plymouth lines this week. Easier driving is keynote of both cars with steering made still more responsive to touch, stronger braking, improved headlights and more windshield visibility. Greater riding comfort is guaranteed with full room for an extra passenger in the front seat, deeper cushions, longer springs and insulated bodies. Radiator and fender lines are redesigned.

Above the new Dodge six, two door sedan. Below Plymouth deluxe convertible coupe.

Bank Chat

Alberta Bank Taxes

Under the proposed Aberhart bank tax act, the Imperial Bank, with 21 branches in Alberta, would pay the lowest per branch tax, $5,810, although the Dominion Bank with only three branches in the province would have to pay $37,333 per branch.

Bank of Montreal, with 50 branches, would pay a total of $606,000 or $12,130 per branch made up of a $390,000 tax on its reserve, $180,000 on the new capital tax and $36,000 on the old capital tax.

Bank of Nova Scotia would pay $34,666 for each of its nine branches and Bank of Toronto $14,000 yearly for each of its nine branches. Bank of Commerce would pay $7,755 on each of its 49 branches and the Royal Bank $7,735 for each of its 53 branches. La Banque Canadienne Nationale would pay $18,400 on each of its five branches.

• • •

SEC Restrictions

The efficiency of the stock market has been gravely impaired and business at large suffers seriously from the excessive, unnecessary and unjustified fluctuations which are in the main caused by the new rules of the Security and Exchange Commission, said Winthrop W. Aldrich, chairman of the Chase National Bank, in a speech at Rochester last week.

Although Charles Gay, president of the New York Stock Exchange, and other spokesmen have, for months, been making the same plea, Aldrich's speech carries particular weight. As a banker his views command respect for their objectivity. His speech, too, quotes chapter and verse, to prove his contention that regulation has worked out very differently to the expectation of its sponsors.

Given at a time when a new S. E. Commissioner with reputed radical views and inquisitorial zeal has just been appointed, observers hope the Aldrich address may mark a turning point.

• • •

Exchange Prospects

Currency stabilization is a subject on which reams of material have been written since England left gold back in 1931. Most of this material has pointed to the very definite advantages which would accrue if some basis of exchange stability could be arrived at. Apart from the tripartite agreement, nothing has resulted, and prospects that anything further will result in the immediate future are exceedingly dim.

Following a survey of exchange developments over the last two years, Barclays Bank concludes, "It is certainly doubtful if present conditions are propitious for stabilization of currencies on a definite basis, and any hasty or ill-considered action would be dangerous. The progress achieved in maintaining de facto stabilization of many of the important currencies of the world has, however, served to promote more healthy international trading conditions and the experience gained should prove invaluable when the opportunity occurs to revive an international monetary standard."

• • •

Michigan Restrictions

New regulations for Michigan banks, product of the state legislature, 1937, went into effect Oct. 15. They include: Restriction of interest payments for time deposits to 2½% and prohibition of any interest payment on demand deposits, which affect only public funds. Securities which banks may purchase are restricted and bank officers may not borrow more than $2,500 from their own institutions. Banks may be formed to maintain cash reserves equal to about 24% of deposits, which is about double the current average coverage.

Bank of Commerce Closes Branches in Drought Area

Canadian Bank of Commerce announces that October 15 it will close the following branch banks in Saskatchewan: Francis, Hafford, Herbert, Kronau, Langham, Loreburn, Mortlach, and Wilcox. Virtually all these places are in the drought area and it is understood that for many years these branches have been operated at a loss. In nearly every case, the community will be left without any chartered bank branch.

Bank of Canada Weekly Statement

Slight change in holdings is recorded in the weekly statement of the Bank of Canada, chief development being a $2 millions increase in short term Dominion of Canada bonds which with an increase in U. S. and British currency takes care of a $3.3 millions increase in Dominion deposits.

Balance Sheet

	Oct. 13 1937 $	Oct. 6 1937 $
Liabilities		
Capital paid-up	10,100,000	10,100,000
Notes in circ.	163,477,672	163,045,078
Rest fund	743,716	743,716
Depos. Dominion	35,658,517	32,301,658
Banks	181,787,145	181,655,987
Other	398,566	676,050
Total deposits	217,844,258	214,633,696
All other liabs.	2,697,074	2,593,283
Total liabs.	394,862,720	391,115,771
Assets		
Reserve: Gold	179,449,393	179,532,697
Silver bullion	2,647,087	2,638,853
Res. in sterling and U. S.	29,708,125	27,780,895
Other curr.	740	799
Total reserve	211,805,845	209,953,244
Subsidiary coin	132,756	114,706
Investments:		
Dom. govt. short.	71,109,813	69,113,095
Other Dom. govt.	96,252,783	96,063,793
Other secs.	10,992,044	10,993,193
Total invest.	178,354,640	176,170,081
Premises	857,764	817,572
All other assets	3,712,214	4,060,168
Total assets	394,862,720	391,115,771
Reserve ratio	55.54%	55.59%

Weekly Bank Clearings

	Oct. 14 1937 $	Change yr. ago %	Oct. 7 1937 $
Halifax	2,412,081	+ 21.1	3,204,131
Saint John	1,520,966	+ 1.5	2,235,205
Moncton	700,123	+ 11.8	1,064,499
Sherbrooke	649,632	+ 25.9	1,020,133
Quebec	4,701,384	+ 26.0	5,900,697
Montreal	93,218,474	— 28.4	139,355,852
Ottawa	14,284,512	— 2.8	27,608,068
Peterborough	542,574	— 3.5	......
Toronto	93,995,047	— 4.7	129,354,406
Hamilton	4,773,742	+ 23.2	6,706,032
Kitchener	913,568	+ 9.1	1,263,309
Brantford	850,128	+ 6.2	1,288,492
London	2,624,486	+ 21.3	3,766,238
Kingston	524,624	+ 2.4	376,248
Chatham	1,029,820	+140.1	966,839
Windsor	2,815,618	+ 34.9	3,008,002
Sarnia	396,618	+ 18.5	599,007
Sudbury	1,111,754	+ 27.9	1,127,839
Ft. William	679,190	+ 25.1	958,185
Winnipeg	41,793,913	— 35.9	63,260,047
Brandon	384,008	+ 21.3	544,903
Regina	3,073,958	— 40.3	5,189,947
Moose Jaw	655,468	— 11.6	726,763
Saskatoon	1,306,797	— 26.0	1,780,122
Prince Albert	395,003	+ 6.9	490,908
Edmonton	3,677,775	— 2.7	5,241,706
Calgary	6,760,579	+ 19.2	8,695,502
Medicine Hat	235,935	+ 1.7	425,457
Lethbridge	600,412	+ 22.6	723,148
N. W'minster	651,537	+ 0.3	855,317
Vancouver	15,110,118	— 1.8	19,997,249
Victoria	1,562,275	+ 2.5	2,276,277

Banks Boost Credit Volume

Increase $227 Millions Since 1929, Association Claims

Hazards of inflation were explained to the people of Alberta by Vernon Knowles, public relations adviser to the Canadian Bankers Association in his fifth radio address.

"No greater outrage has ever been perpetrated on a people than that of wild inflation," he declared. He quoted a letter from one of his listeners who related experiences in inflation days in Germany in which she paid 32 billion marks for an overcoat and took an armful of marks to buy a loaf of bread.

Mr. Knowles pointed to the extreme hardship inflation brings to people retired, living on the income of their savings, to widows supporting a family on the proceeds of an insurance policy.

The broadcaster referred to the charge that since 1929 Canada's chartered banks have reduced the volume of credit by $776 millions.

"If you were told that bakers refuse to sell bread, it would be about as sensible as the story that bankers refuse to make loans to responsible borrowers.

Loans Reduced

"It is quite true that the total of commercial loans shows a large reduction, but it is also true that investments in bonds show a large increase. With much-reduced business activity and lower prices our customers use less money. General uncertainty and business going on the hand-to-mouth basis, still further reduces the need for bank loans

"Since 1929 Canada's chartered banks have actually increased credit by $227 millions," Mr. Knowles declared.

"The general proposition that Albertans have $80 millions in the bank and that they owe $400 millions is just one of those things that sound plausible, but present a clear misrepresentation," Mr. Knowles continued pointing to the additional assets of the people in their personal possessions and in the natural resources of their province. "If Albertans have $80 millions in bank deposits in this province, it is money belonging to individuals. It is their own. Debtors, whether they be individuals, a province or a municipality or whoever they may be, cannot expect to use your money to pay their debts."

Canada Dry Profits About $1.50 a Share

Canada Dry Ginger Ale Co. is expected to report net income slightly under $1 million for the year ended Sept. 30, 1937, according to reports. This income, after all charges, including interest and depreciation, would amount to approximately $1.50 a share on the stock.

In the 1936 year, the company had net income of $183,400 or 35 cents a share. In the past year, the number of shares outstanding has increased from 512,631 to 615,157.

Most of this year's earnings were realized in the final quarter which ended Sept. 30, including the warm summer months. It is reported that the company had net income of $600,000 for the final quarter or about 95 cents a share compared with approximately 50 cents a share in the preceding nine months.

BONDS and stock certificates are tokens of ownership so devised as to permit legal transfer from person to person. Since before Confederation this Old Canadian Company has specialized in the engraving and printing of such securities for governments and corporations.

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Reserve Liability of Proprietors . . . 8,780,000
£23,710,000
Aggregate Assets 30th Sept., 1936 . . . £115,150,000

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New Plastics Being Sought By Inventors

Chemical Field Leads in Patent Applications to Ottawa

IMPROVE MOTOR FUELS

Months and often years elapse from the time a product or process is developed and patented until it enters the everyday channels of commercial life. Hence the trend of invention at present indicates what may be expected in the way of new products in the future.

While the range of invention covers everything from mouse traps to the most complicated of machines, main activity recently, according to a report just issued by the Commissioner of Patents at Ottawa, has been concentrated on chemistry. This has dealt particularly with plastics, new cellulose textiles and minerals.

Inventors, applying for patents at Ottawa, are apparently devoting much energy to the production of resins from new starting materials and of colorless and transparent resins which are not brittle.

These are a main base for plastic material now being used in a rapidly growing range of manufactured goods. It replaces former cumbersome wood and heavy, electric conducting metals for small cabinet work and receptacles. Its permanent color, too, is another important factor in its favor.

Textiles

The treatment of dyed material and regenerated cellulosic materials to improve the fastness of color and strength in washing is also receiving considerable attention as well as the field of wetting and dispersing agents for treatment of textiles.

That the search for new motor fuels is continuing is indicated by many applications for patents covering new processes of producing alcohol from hydrocarbons and the polymerization of gaseous hydrocarbons to yield motor fuels and lubricants. Inventors have also been turning their minds to the production of selective solvents for the extraction of lubricating oils from crude and for the general production of lubricants for satisfactory use in more popular high compression motors.

Interest in Photography

Photography continues to be a matter of keen interest to many types of inventors and particularly that phase which deals with color work. Rapid emulsions are sought due to the large number of miniature cameras now in use and which require such treatment for the films used.

In color photography activity has been directed to the production of colors in superimposed layers by methods of development.

In metallurgy the extraction and purification of magnesium and the production of new magnesium alloys continued to receive attention. There is also development in the production of oxygen-free copper and sintered carbides for use in tools.

Electrical

The electrical field, formerly a leader, still continues to be one well cultivated by inventors. The most notable advance has been in television and short wave wireless. In television there has been pronounced development in cathode-ray transmitting and receiving systems.

In short wave wireless particular attention has been directed to aerial system. Cathode-ray tube development has been n.table. There have been improvements in the electrode systems of these tubes and the production of mosaic screens of the iconoscope type of tube has been the subject matter of an increasing number of patent applications. Fluorescent screens and fluorescent materials for use in cathode-ray tubes and vacuum discharge tubes are active subjects of invention.

Air-conditioning

The activity in apparatus for heating, cooling, moistening and purifying air for houses, buildings and vehicles continues. Many patent applications are directed to mechanical refrigerating apparatus and to new materials for use as refrigerants.

In miscellaneous invention there has been much activity lately in processes for the preservation of food and beverages in metal containers, in accounting and statistical machines, in distant control of type line casting machines, in paper boxes, and in the shutter operating mechanism of cameras.

Provincial Transport Plans New Terminal

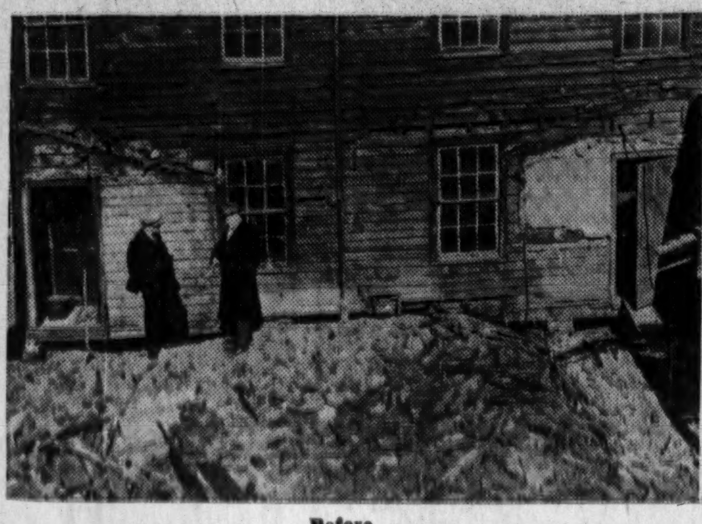
From Our Own Correspondent

MONTREAL.—Provincial Transport Co. has announced plans for a modern three-story terminal building in Montreal. It is expected that it will be ready by May next.

The site of the new terminal is at present occupied by the American Presbyterian Church. The purchase price of the church and land is understood to have been about $150,000. Other land needed for the terminal is believed to have been acquired for $100,000. Estimated cost of the terminal building is set at $125,000.

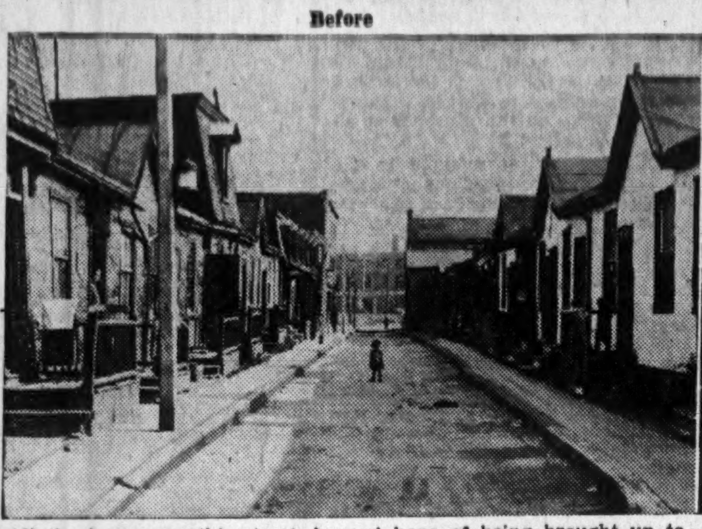
The terminal will be the headquarters in eastern Canada of the Provincial Transport Co., Colonial Coach Lines, Champlain Coach Lines, Frontier Coach Lines, Greyhound Lines and National Trailways System. It is made necessary by rapidly-expanding business, and by congestion at the present terminal.

Toronto Raises Standard of Housing



Before

—And after renovation.



All the houses on this street, beyond hope of being brought up to the standards of Toronto's housing by-law, were ordered demolished.

Rear view of one of the 250 dwellings wrecked since the elimination of substandard housing was launched last year.

Slum Clearing on Easy Installments

Toronto Housing Standards Drive Brings Results Without Cost to Taxpayer

A persistent campaign by Toronto city authorities for rehabilitation of sub-standard buildings has changed the face of business and dwelling areas in the central district of the city, and promoted renovation and replacement work now proceeding at the rate of more than $600,000 a year.

The transformation has resulted largely from enforcement of the city's housing rehabilitation by-law. At least a third of the improvement activity, however, has consisted of non-compulsory repairs and improvements to commercial buildings inspired by informal but systematic pressure on owners by city building inspectors.

Systematic Campaign

For the past four years or more, the city buildings commissioner has directed a campaign to induce owners voluntarily to refurbish buildings and make them structurally sound. The effort was designed originally to produce needed employment and purchase of materials, to improve the city's appearance, and in the interest of safety and structural stability. It was expanded last year to embrace a gradual survey of all buildings in the city, especially on business thoroughfares, to rectify neglect during the depression years.

In many cases, such neglect was found to have created serious conditions, often in violation of building regulations. As a result rehabilitation work, estimated to cost $180,000, was done last year and the total this year is expected to pass the $200,000 level. Most, if not all this work, would have been left undone or at least considerably delayed without the official encouragement given.

The sole concrete result thus far of agitation for slum clearance and low cost housing projects in Toronto, the housing standard by-law was put into effect in June, 1936, by special legislative authority. It set up specific and more stringent minimum standards for habitable dwellings, empowered the city to order the reconditioning, vacating or demolition of substandard houses, and provided for civic loans repayable as tax payments to finance improvements required.

Results in 16 Months

In the 16 months since the by-law came into force, renovations involving expenditure of $330,000 have been carried out, and the total should reach $400,000 by the end of the year. Nearly 300 houses have been demolished, either on city order or voluntarily.

Many of the wrecked houses have been replaced, officials report, by stores and other commercial structures, thus adding a substantial though uncomputed amount to the total of expenditures arising from the reclamation campaign. In addition to the houses ordered torn down, many others have been ordered vacated and tenants of such dwellings have, of course, created an extra demand for housing accommodation.

As the value of housing rehabilitation work done last year was, of necessity, comparatively limited, officials feel that $600,000 annually is a conservative estimate of the outlays which will result from the business building survey, application of housing standard regulations, and replacement of demolished units.

Fifty Per Cent Below Standard

Housing by-law inspectors have operated mainly by a systematic check of every house in three lower grade dwelling areas adjacent to business, commercial and industrial districts. They have scrutinized 3,765 houses since the by-law became operative. Of the dwellings inspected, only 158 were found completely satisfactory, but an additional 1,844 were rated satisfactory after making minor improvements.

Thus almost 50% of the houses surveyed were found definitely below standards of habitability, and were required to be torn down or reconditioned.

From the scattered cases of houses or groups of houses in other sections of the city which they have had occasion to check, the inspectors believe they have, so far, only begun the task of bringing all areas of the city up to the by-law standard. The campaign promises to be spread over some years to come, and to promote a continuing outlay for reconditioning.

Rehabilitation Loans

In a number of cases where landlords or owners had permanent employment or otherwise could offer stable security, the rehabilitation work has been financed by loans under the Home Improvement Plan. The loans granted by the city to be repaid in the form of taxes over a 10-year period have been restricted to the comparatively trifling total of $6,500. This has been due to the fact that those unable to get H. I. P. loans have often had no security to offer other than dwellings too dilapidated to warrant a loan. In some such cases, the funds required were raised from private sources, while in others the owners yielded to the inevitable and demolished the condemned houses to reduce tax assessments.

The by-law permits loans equivalent to $50 a room, plus the full cost of any improvements required in plumbing and heating systems. Much of the expenditures ordered by the supervising committee of civic department chiefs, headed by Buildings Commissioner K. S. Gillies, have been related to plumbing and heating. The regulations not only ban the backyard shed sanitary facilities so prevalent in some sections of the city, but require all dwellings to be weatherproof, equipped with heating units in good working order, and "capable of being adequately heated by a reasonable consumption of fuel."

Defects Found

One of the chief defects found in the housing survey, The Financial Post is advised, consisted of collapsed, rotted or decrepit foundations, especially of frame buildings. Overcrowding beyond the occupancy limits set in the by-law was found in 134 cases. The provisions in this respect require 50 square feet of floor area per person in any sleeping room, a limit of three persons to any sleeping room, and a limit of 1½ persons per room in any dwelling unit of more than one room. (Children under 10 years of age are rated as "half persons.")

The by-law has resulted in considerable clearing up of rear plots, removal of old sheds and debris, and installation of new or renovated windows.

Moving Slowly

When the by-law was passed, civic officials found they had no precedents to guide them. They were able to learn of no similar regulations in force elsewhere in the world. Partly because of this, they have tended to follow a policy of caution and reasonableness, and to accumulate an exhaustive fund of information as a basis for procedure.

They believe, however, that the by-law has accomplished substantial progress, not only in bringing out needed improvements in dwellings and stimulating expenditures for renovations, but in eliminating slum-type conditions and raising the standard of available housing in the city. The rehabilitation work has thrown no burden on the taxpayer and has imposed no unduly heavy financial load on any landlord or owner-occupant.

Better Than Housing Projects

Officials feel that the rehabilitation method is far more desirable than the ambitious slum clearance and low-cost housing projects thus far advanced, partly because of the difficulty of financing such projects and partly because of the conditions disclosed in the areas thus far surveyed. In comparatively few instances have inspectors found any sizeable groups of houses all of which had to be demolished or were glaringly substandard. They have found no areas, blocks or streets of houses in which all or most of the dwellings were so below standard as to require wholesale wrecking and replacement.

On most of the streets surveyed, inspectors found substandard houses in scattered locations, with other dwellings either in good condition or capable of being renovated with little trouble and expense. In a large proportion of cases, conditions were the result of the indifference or poor character of tenants, or of ignorance of landlords of actual conditions of the houses they owned.

In many cases where extensive renovations have had to be undertaken, owners have been able to increase the rent and obtain a better class of tenant. At the same time, the campaign has improved the lot of relief recipients, for whom the substandard house was often the only dwelling available.

Furniture Firm Builds Addition to Its Factory

Accelerated activity in Ontario's furniture industry is reflected by award of contract for erection of three-story addition to the Stratford plant of Imperial Rattan Co. The new wing will be occupied early in the new year. The project is said to be the first major expansion for some time by a unit of the Ontario industry, and may be followed by announcement of similar projects by other companies. The Imperial firm reports a 50% increase in business within the past year, coming from almost all sections of Canada.

New Building

Building projects reported by Daily Commercial News & Building Record include:

A. Bradshaw & Son Ltd., Toronto, wholesale dry goods firm, has awarded contract for an addition to its College Street premises, the cost being estimated at $40,000.

University of Toronto officials are studying preliminary plans prepared by Mathers & Haldenby, architects, for proposed $250,000 women's gymnasium.

Swift Canadian Co. has completed virtually all of the foundation and basement work on its new $2 million plant at St. Boniface, Man., and plans to complete other construction next summer to permit opening of the establishment by the fall of 1938.

Construction World

Western Building

Western cities are sharing in the upsurge of building activity, particularly in residential building. This is evident from the building permit totals periodically reported. The figure for Vancouver up to the end of September was nearly $6 millions, a cool $1 million ahead of the total for the whole of last year. While construction of new factories and warehouse additions has swollen the total for the B. C. capital, a permit total of nearly $2 millions for residential building has been largely responsible for the increase. In Winnipeg, the nine-month total of permits for this year stands at $1.5 million, representing a gain of half a million dollars.

In the East, building resurgence is not only continuing at an encouraging level but promises to carry on through the winter, despite higher costs of winter building. According to a recent report in The Montreal Star, the pressure of demand for modern apartment and detached house accommodation in the Montreal district will keep a considerable volume of construction in progress during the next few months.

• • •

Outlay for Roads

Ontario highway expenditures for the year ending next March, including county and township grants, show a 30% increase over the previous year, according to an official compilation. The total of expenditures for the 1937-38 period is set at $28.3 millions, compared with $20.8 millions for the 1936-37 period. Totals for previous years are: 1991-32, $26.8 millions; 1932-33, $12 millions; 1933-34, $37.4 millions; 1934-35, $13.8 millions; 1935-36, $25.2 millions.

• • •

River Bridge

Erection of steel in the Canadian section of the Thousand Islands International Bridge across the St. Lawrence River is well under way and an increasing number of men are being employed on the work, says The Canadian Engineer. Contracts for the foundation, steel and erection work in the Canadian, central and American sections of the two-million-dollar project have al- not yet been completed for the toll booths and buildings for customs, immigration and administration facilities.

• • •

Vancouver Slums

A strenuous campaign for a slum clearance and re-housing project has resulted in Vancouver from the report of civic officials on the undesirable conditions under which a number of families live in the waterfront area. The investigators found that nearly 500 persons, including 75 children, live in boathouses or shacks built on piles, some of which stand in the midst of sewer seepage and outfalls. The general conditions are described in the report as "filthy and distressing." In the Burrard Inlet and False Creek areas were found 201 boathouse dwellings, 56 built on piles, and 28 houses on land, few of them equipped with sanitary conveniences and some of them declared to be "dilapidated, dirty and located amidst appalling filth."

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EARL DINSMORE *lines hot tops in the Open Hearth Department.*

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Both have served as aldermen for several years on Sault Ste. Marie's City Council. They're Good Citizens — keen in their work, active in their community's affairs. Smith and Dinsmore are typical of the 3000 "Men of Algoma" employed in the manufacture of steel for automobiles, buildings, bridges, docks and drainage structures, household utilities, machinery, mining equipment, agricultural implements, rails, railroad equipment and other products and utilities used daily throughout Canada.

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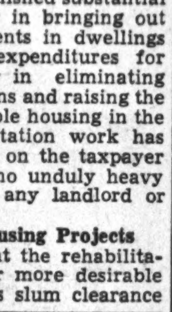

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Abitibi Bond Meeting Augurs Legal Battle

Royal Securities Bonds Not Voted as Ripley Plan Passes With Three-to-One Support — Eight Directors Named

Following approval by vote of bondholders of the Bondholders' Representative Committee's plan for reorganizing Abitibi Power & Paper Co., there has been every indication of a battle through the courts on many phases of the matter.

There are still some hopes of arranging a truce but they do not seem likely to materialize.

Royal Securities Corp., which is reputed to hold about $3 millions of the bonds, appears to be in a bargaining position in any efforts that may be made to avoid lengthy litigation. The Financial Post understands that these bonds were not voted either for or against the committee's plan at the meeting on Oct. 15.

Events of Meeting

The potential significance of the large Royal Securities holdings is apparent from the events of the meeting. What happened was

1. Approval was given to the Representative Committee's plan, with two modifications, by a vote of $23,869,500 to $7,684,500 of bonds.

2. The actual transfer of assets to a new company was approved by a vote of $23,685,500 to $7,579,000.

3. Eight class A directors were nominated without opposing nominees.

4. To all proceedings at the meeting, general and specific objections were registered by the Bondholders' Defensive Committee which is expected to fight the reorganization plan in the courts.

5. H. J. Symington, K.C. acting for Royal Securities Corp., took an independent stand suggesting further efforts to avoid litigation and expressing the view that the legal process of reorganizing through the Ontario Judicature Act may not be feasible on constitutional grounds.

Whatever happens eventually, the Abitibi reorganization must come before the Supreme Court of Ontario for sanction on its merits in law and on its fairness to investors. One of the things the court must consider is the vote for and against, on which point the unvoted block of some $3 millions may be given significance. The Representative Committee, having taken five years to come to the present stage in reorganization of Abitibi, will put its plan up to the courts on its merits. Legal advisers of the committee have taken care to draft the plan in a way they believe is valid in law.

Barring some unexpected development, opponents of the plan will centre the legal battle in objections of the Bondholders' Defensive Committee and in claims of the Abitibi liquidator that the plan interferes with his authority under Dominion laws. There are several subsidiary points for legal argument.

Highlights in Speeches

Speeches provided most of the highlights at the bondholders' meeting.

Joseph P. Ripley, chairman of the Representative Committee, moved the resolution to approve the committee's plan, seconded by W. H. Somerville, general manager of the Mutual Life Assurance Co. of Canada.

Mr. Ripley outlined two amendments to the plan:

1. Reducing the proposed $14 millions of prior lien bonds by the amount of earnings, after interest accruals, subsequent to June 30, 1937.

2. Securing the proposed 5% convertible income debentures by a mortgage subject however to the first and general mortgages.

The two principal reasons for these amendments, he said, were that junior interests "may attempt" to delay operation of the plan, and to recognize the opinion of those bondholders who believe the issue of new money securities should be reduced.

"We see no danger," said Mr. Ripley, "that the new Abitibi company will be launched with excessive funds." He also explained that no member of the committee is taking part in the underwriting of the proposed new prior lien bonds and that the plan of reorganizing through sale under the Ontario Judicature Act seemed to be the only satisfactory method.

Drayton Criticisms

Sir Henry Drayton, K.C., chairman of the Defensive Committee, made a long address in opposition to the plan. He was reproved several times by the chairman, Strachan Johnston, K.C., for wandering from close discussion of Mr. Ripley's motion. Sir Henry doubted the validity of the proceedings. He stressed high present and future earnings commenting that Abitibi was not actually insolvent although technically it might be. He thought it folly to impose a large prior lien and "sacrifice" bondholders. Steps, he said, were being taken to bring the Defensive Committee's plan directly before the bondholders.

Leopold Renaud, Montreal, saw the danger in the prior lien that if bad times come it might imperil present bondholders who, he said, were turned into equity holders.

G. C. Martin, Hamilton, urged that a compromise plan be negotiated between the two committees.

Senator Rt. Hon. Arthur Meighen criticized the "sacrifices" asked of bondholders, which, he said, were to the benefit of equity holders. He said bondholders would be in a perilous position with respect to income debentures because interest would not be cumulative for 10 years. He urged a large opposing vote to impress the courts with need for review of the merits or demerits of the scheme.

J. M. Macdonnell, general sales manager of the National Trust Co., favored the plan because, he said, it should permit rapid reorganization. Prior lien bonds, even though painful, were the cheapest means of raising necessary new money.

W. C. Pitfield Speaks

W. C. Pitfield, president of W. C. Pitfield & Co., criticized the Representative Committee for using proxies for bonds deposited five years ago as votes for the plan. He stated that giving up of the first mortgage was unnecessary; that retention of the first mortgage position would protect the bondholders and that if bad times came the bondholders would be "sunk" under the prior lien. Abitibi's improved earnings, he said, should torpedo the Ripley plan which he described as a chemical formula rather than a simple reorganization.

Paul Payette, Montreal, urged that bondholders turn the plan down and that more time be taken to prevent a legal battle.

E. W. Bickle of Wills, Bickle & Robertson commented that he would have to have better reasons than he had been given for accepting a prior lien.

R. B. Hanson, Fredericton, said bondholders should not be asked to impose a prior lien and challenged the Representative Committee for using votes from bonds that have been on deposit since 1932.

Hon. J. L. Ralston stated there was no need for haste and it would be no disadvantage to bondholders to defeat the plan. He criticized the prior lien as unnecessary in view of this year's earnings. Such a lien, he said, would be a high price to pay for reorganization. The income debentures to be issued to bondholders, he said, are "neither fish, flesh nor good red herring."

Symington Suggestions

H. J. Symington, K.C., representing Royal Securities Corp., said that firm had deliberately kept clear of entanglements in the belief that the opposing groups must come together for a settlement. He paid warm tribute to Mr. Ripley's efforts for Abitibi bondholders. But he took a different approach, stating that Abitibi was different from an ordinary unsuccessful venture in that its situation had arisen from international conditions in one industry. While the bondholders should get their money first, he thought the equity holders should be given more time to redeem their investments.

Mr. Symington emphasized that a reasonable capitalization and good management were the two essentials for Abitibi. He saw good points in both the Ripley and Drayton plans but said he didn't believe either could be effected in the present form.

He disliked the use of the Judicature Act proceedings, stating that the Ripley plan practically wiped out the present common and a large part of the preferred stock equity. He doubted the legal validity of the procedure. While, he said, real efforts had been made to reach a compromise, he proposed that one more effort be made.

Mr. Symington moved an amendment to the main resolution, proposing formation of a committee of Messrs. Ripley, Symington, Edward E. Reid, vice-president of the London Life Insurance Co., and Sir Henry Drayton, to arrange a compromise within four weeks.

The amending motion was seconded by A. F. Culver, a vice-president of Royal Securities Corp.

Mr. Ripley stated that he could not believe it in the interests of bondholders to adjourn the meeting.

Insurance Men Comment

Edward E. Reid of the London Life Insurance Co. and a member of the Representative Committee, defended the plan and praised Mr. Ripley's work. He said the first lien was comparatively small and that Mr. Ripley's aim was to avoid anything that would again put Abitibi in default. As to rosy statements of earnings that had been made at the meeting, he referred bondholders to The Financial Post's report last week that the newsprint industry found it necessary to curtail activities.

A. N. Mitchell, general manager of the Canada Life Assurance Co., said it would be unfortunate if the Symington amendment were carried, that the years have not brought much collaboration from dissenting parties. The Representative Committee, he said, had made a noble attempt to prepare a scheme fair to all. He did not fear that the prior lien would involve bondholders in any danger and said the plan was not unjust and that it was time bondholders got returns on their investment.

E. A. Macnutt, treasurer of the Sun Life Assurance Co., which owns the largest single block of Abitibi bonds, expressed the "highest admiration" for Mr. Ripley. He stated that the plan should put Abitibi in condition to avoid receivership in future and that the proposed capital structure had been built on a sound foundation. He had never known companies to get into difficulties because of large working capital.

Amendment Defeated

Mr. Symington's amending motion was lost on a show of hands.

D. L. McCarthy, K.C., speaking for the Defensive Committee, commented that all bondholders get by turning down the amendment was lengthy litigation. He was not sympathetic, he said, with large bondholders who might have been able to write down the book value of their investments. Mr. McCarthy was reproved for suggesting that the chairman had been "adroit" in favoring proponents of the Ripley plan.

Last speaker before the recording of ballots, Mr. Ripley closed with the statement: "We are open to any reasonable suggestion from bondholders as to the question of management."

A resolution named eight tentative class A directors for the new company, as follows: G. T. Clarkson, receiver and manager for Abitibi; G. R. Cottrell, corporation executive of the Canadian Bank of Commerce; Andrew Fleming, president of the Hartt & Adair Coal Co., Montreal; Glyn Osler, K.C., solicitor for the Representative Committee, Edward E. Reid; J. P. Ripley, president of Brown, Harriman & Co., New York; W. H. Smith, assistant managing director of Abitibi; W. H. Somerville.

Without departing from other objections to the validity of the meeting, Mr. Ralston registered specific complaint that the nomination of directors was beyond the power of the meeting. There was no authority for it in the Judicature Act, he said.

If Abitibi Plan Finally Passes

What present holders of Abitibi securities will get, if the plan of the Bondholders' Representative Committee is finally approved by the courts, is as follows:

Per $1,000 bond — $500 of 5% convertible general mortgage bonds; $700 of 5% convertible income debentures; five common shares.

Per 7% preferred share — five common shares and right to buy another five within 12 months at $17.50 each.

Per 6% preferred share — three and one-half common and right to buy four more at $17.50.

Per common share — one-tenth new share and right to buy one-half more.

There would be created an issue of 4½% prior lien bonds, not exceeding $14 millions and possibly $12 millions or less, to furnish funds for rehabilitation of properties and for working capital.

Quebec City Deficit Up

Net Debt as at April 30 Amounted to $28.6 Millions

From Our Own Correspondent

MONTREAL.—For the year ended April 30, 1937, the city of Quebec reports a deficit of $235,695. This represents a substantial increase over the previous year, when the deficit amounted to $49,199.

The deficit of $235,695 represents the excess of expenditure over revenues on general account. If other accounts, such as workmen's dwellings, snow removal, amusement tax and provincial Exhibition, are taken into account, then the consolidated deficit for the year was somewhat smaller, amounting to $196,507.

Total accumulated deficit of the administration fund is shown at $1.2 million as at April 30, 1937, while deficits and extraordinary expenditures consolidated total $8.5 millions.

Debt Reduced

During the year gross liabilities were reduced by $873,000 to $39.6 millions while net debt was reduced by about $106,000 to $28.6 millions. Debenture debt, as at April 30, 1937, amounted to $31.4 millions against which there was held a sinking fund of $4.5 millions.

Revenue and expenditure account shows that service on the city's funded debt is by far the largest item in its budget. Last year the city provided $2.4 millions for debt service, which is equivalent to about 48% of its total current expenditure. The city's share of unemployment relief is treated as a capital outlay. No details are given in the city's report in regard to this expenditure.

No information is given in the report given in regard to tax collections, the accounts merely being shown on a revenue and expenditure basis.

Bank Loans Increase

Bank loans at $6.7 millions show an increase of over $1 million from the previous year. However, these should be reduced in the near future since the city has authorized seven loans totalling over $4 millions.

Given below is a statement of net debt as at April 30, 1937, compared with the previous year.

Statement of Net Debt
As at April 30

Liabilities:	1937	1936
	$	$
Funded debt	31,452,106	33,020,942
Bank loans	6,743,155	5,735,960
Accounts payable	771,809	931,162
Accrued interest	529,278	566,951
Deposits	91,128	189,110
Mortgages payable	33,064	56,223
Reserve	2,500	......
Deferred revenue	6,042	3,480
Total liabilities	39,657,409	40,530,377
Assets		
Taxes & accts. rec.	5,078,888	5,139,047
S. F. investments	4,557,692	4,734,930
Invests., grants & loans	1,014,278	1,043,273
Cash	331,081	848,735
Deferred expense	32,110	15,064
Total liquid assets	11,014,049	11,781,049
Net debt	28,643,360	28,749,328

B. C. Telephone Co. Agrees to Lower Rate

From Our Own Correspondent

MONTREAL.—The city of Vancouver has accepted the offer of British Columbia Telephone Co. to reduce two-party residence telephone flat rates, which become effective November 1 next, from $2.60 to $2.50 per month.

The plan for establishment of a flat rate service in Vancouver, University of British Columbia endowment subdivision and a section of Burnaby provides for elimination of interexchange tolls. Subscribers in the suburban areas are to have the privilege of participating in a multi-party service (about four stations per line) at $2.20 a month.

According to Mayor George C. Miller, the company is making the reduction from $2.60 to $2.50 a month as a goodwill gesture and will try out the low rate for a reasonable period.

Willard's Profits Up for 18 Months

Lower Depreciation Charge Permits Earnings of $8.75

Net earnings of Willard's Chocolates Ltd. for the 18 months ended June 30, 1937, were $108,263, compared with $70,313 for the year ended Dec. 31, 1935. A decrease in provision for depreciation resulted in net profits for the period equivalent to $8.75 a share on the 6½% preferred stock. Dividends on this stock accrue from March 1, 1935, but none have been paid to date.

Working capital made a further increase in the latest period, amounting to $274,374 at June 30, 1937, against $239,681 at Dec. 31, 1935. Bank loans were $40,727, compared with $64,508 at the end of 1935.

Income and Surplus Account

	18 mos. ended June 30 1937	12 mos. ended Dec. 31 1935
	$	$
Net earnings	108,263	70,313
Less: Depreciation	58,584	70,000
Income tax	8,177	450
Net profit	41,502	*137
Add: Previous surplus	14,326	14,463
Surplus forward	55,828	14,326

*Loss.

Working Capital

Current assets	399,683	361,699
Current liabilities	125,309	122,018
Working capital	274,374	239,681

Loblaw Sales And Profits Up

Extra Dividend of 12½c Declared—Changes in Officers

An extra dividend of 12½ cents a share will be paid on the class A and B shares of Loblaw Groceterias Co., along with the regular 25 cents a share dividend, both payable Dec. 1, 1937, to shareholders of record Nov. 10. A similar bonus of 12½ cents a share was paid on June 1, 1937.

The company will receive a dividend of $1.75 a share on the 2,841 shares of preferred stock of Loblaw Groceterias Inc., which it owns, on Nov. 1, 1937. Loblaw Groceterias Inc. operates in the United States.

Charles B. Shields, formerly vice-president and assistant general manager, has been appointed general manager. J. Milton Cork had previously held the dual positions of president and general manager but is retiring from the general managership although continuing, as president, to take an active part in the company's affairs. Justin M. Cork becomes assistant general manager.

Profits Higher

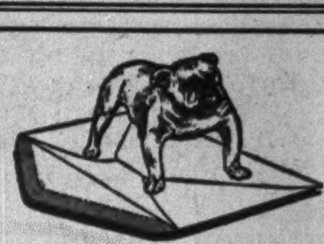
For the four weeks ended Sept. 18, 1937, sales of Loblaw Groceterias Co. were $202,434, or 15.35% greater than in the corresponding period of 1936. In the four periods ended Sept. 18, 1937, sales have risen $815,685, or 15.91%.

Profits have also shown a substantial increase, the profit of $63,689 for the latest four-week period being $4,040, or 6.77%, greater than in the same period a year earlier. For the fiscal year to Sept. 18, total profits have been $227,723, an increase of $15,890, or 7.50%.

Sales and profits figures for the latest periods follow:

Sales and Profits

Four Weeks Period Ended Sept. 18:	1937	1936	Incr.
	$	$	%
Sales	1,521,511	1,319,077	15.35
Profits	63,689	59,649	6.77
Four Periods Ended Sept. 18:			
Sales	5,943,613	5,127,928	15.91
Profits	227,723	211,833	7.50

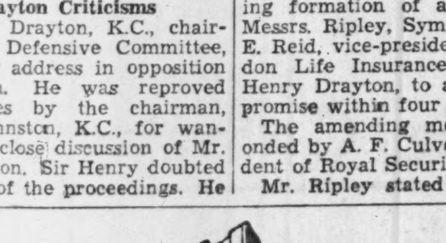
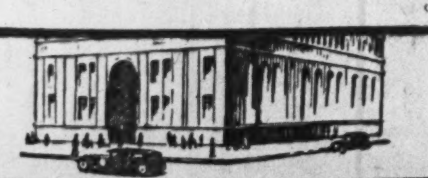

"Fifty per cent. of the envelope is the gumming!"
Bull Dog GUMMING
—The gum that made Globe Envelopes famous!
GLOBE ENVELOPES
Makers of Well Gummed Envelopes
243 CARLAW AVE., TORONTO

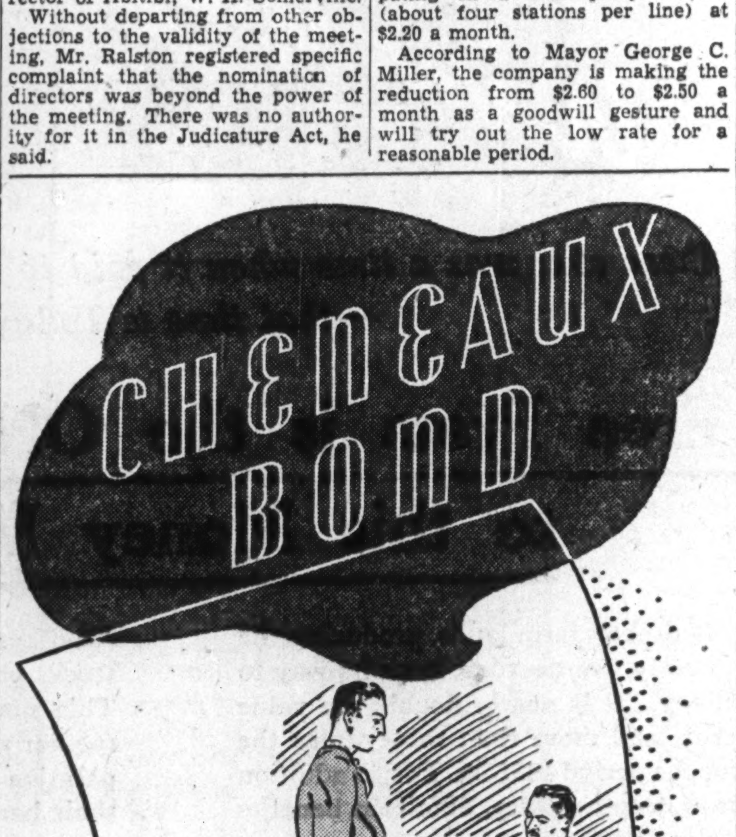
The STEEL-MARK of QUALITY
Plumbers and steamfitters know how much depends on the quality of the pipe they work with. The wise ones use nothing but STELCO Scale-Free PIPE. It's clean-run, easy to cut, easy to thread and it delivers clear water in full volume all the time, because it's scale-free and doesn't clog.
Stelco Pipe is made in a wide variety of styles, weights and sizes, including Standard and Extra Heavy threaded and coupled, grooved for Victaulic Couplings, beveled for welding, Line Pipe, Refrigeration Pipe, Pipe Bends and Special Pipe for many other purposes.
THE STEEL COMPANY OF CANADA, LIMITED
HAMILTON - EXECUTIVE OFFICES - MONTREAL
SALES OFFICES HALIFAX, ST. JOHN, MONTREAL, TORONTO, HAMILTON, WINNIPEG, VANCOUVER
WORKS HAMILTON, MONTREAL, TORONTO, BRANTFORD, LONDON, GANANOQUE

Trans-Canada is the Telephone System which makes it possible for you to talk to any part of the Dominion where telephone service exists.
A SUDDEN emergency . . . sickness . . . accident . . . a business matter that admits of no delay — in such situations, as well as in everyday affairs, the coast-to-coast lines of the Trans-Canada Telephone System are always at your service.
These lines stretch from the Atlantic to the Pacific and connect with local telephone circuits at every point thus providing you with nation-wide telephone service wholly within the Dominion.
Trans-Canada rates are low — lower still after 7 p.m. and all day Sunday. Use Trans-Canada Telephone. Just ask for or dial "Long Distance".
RATES
The following are the daytime, station-to-station rates for telephone calls from Toronto to:

Halifax	$3.00
Saint John	2.30
Winnipeg	3.25
Brandon	3.50
Regina	4.25
Moose Jaw	4.25
Calgary	5.50
Edmonton	5.25
Vancouver	6.50
Victoria	6.50

TRANS-CANADA TELEPHONE SYSTEM
THE BELL TELEPHONE COMPANY OF CANADA


Do This —At Least!
Make sure that what you leave your beneficiaries will be expertly safe-guarded and economically handled to yield the utmost. That is just what this Company exists to do. Its fund of skill and experience exceeds and outlasts that of individuals. Have your lawyer draw your will now and appoint this Company your executor. Take steps in time.

THE CANADA PERMANENT TRUST COMPANY
BAY AND ADELAIDE STREETS, TORONTO



Good office management involves a constant balancing of quality and economy. Nowhere is this balance better exemplified than in Cheneaux Bond. Cheneaux Bond has the appearance, the strength and the durability necessary for statements, invoices, memos, report forms and other records, plus the advantage of very moderate cost.
Your printer will be glad to quote on Cheneaux Bond.
Obtainable in eight attractive colours and white, in all standard weights and sizes
MADE IN CANADA BY THE E. B. EDDY CO., LIMITED, HULL

B.C. Facing Cut in Output Of Lumber

Three-day Week Basis Is Prospect For Many Mills

From Our Own Correspondent

VANCOUVER. — Although the long view is encouraging inasmuch as there is known to be a great potential building shortage, the immediate outlook for British Columbia's recently prosperous lumber industry is anything but cheerful.

High freight rates, the war in China, world economic unrest and drought on the prairies have combined to make the situation extremely depressing. Sawmill operators are facing the winter realizing that severe curtailment of production is inevitable unless there should be a sudden turn for the better.

Lumbermen will endeavor to maintain payrolls as much as possible during the coming period of market slump, but it is regarded as practically certain that before the end of the year mills that were operating full time this spring, with big orders piling up ahead of them, will be down to a three-day-a-week basis. At the present moment there is hardly a single bright spot in the picture.

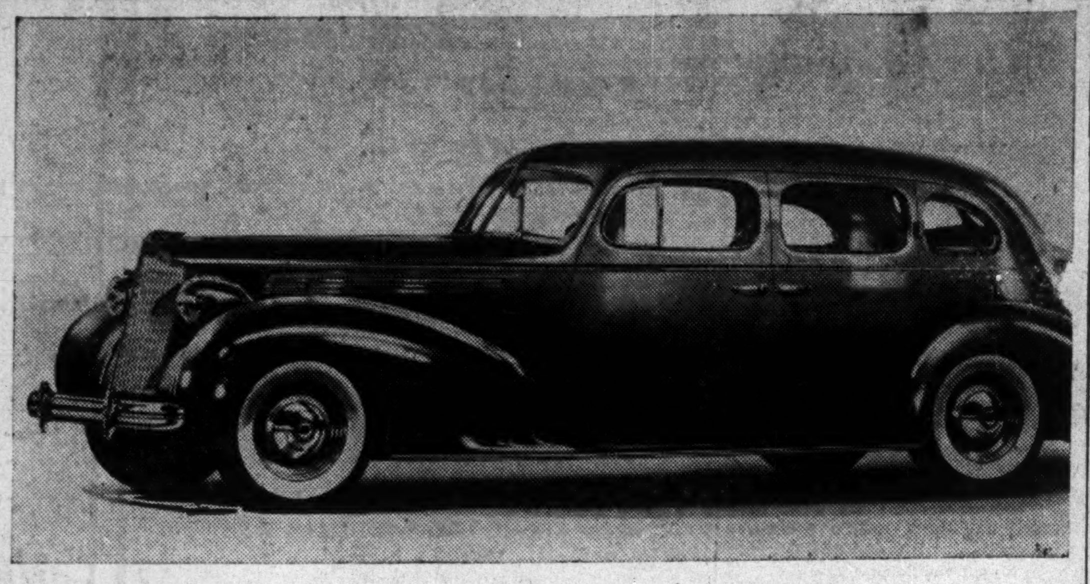
Striking Contrast

This is in striking contrast to conditions a year ago, or even six months ago. Last year British Columbia's export lumber business—and about 70% of B.C.'s lumber is produced for export—was riding high on the crest of record activity. More than 1,200,000,000 feet of lumber was shipped overseas last year, more than 660,000,000 feet going to the United Kingdom alone. At the turn of the year the pace was being well maintained, although unusually cold weather interfered with logging for several weeks, resulting in curtailment of mill operations.

Market conditions remained fairly satisfactory until June and July, when a sudden falling-off in orders became perceptible. It was hoped that this would be a temporary movement, but the continued lull in European markets and the outbreak of hostilities in the Far East made it evident that sales would continue depressed for some time. Recovery of trade in other parts of the world, coupled with commandeering of Japanese ships in the north Pacific for war purposes, resulted in a widespread ship shortage and soaring freight rates. Rates are now triple what they were a few months ago in some instances.

The lumber business is not the only one that has suffered in British Columbia from the current unrest and the shipping crisis. High ocean freight rates have discouraged the shipment of grain to the Pacific coast, and this movement was already severely affected by light crops in Saskatchewan. In mill grain offals alone Calgary shippers are said to be able to save $1.97 per ton by routing their shipments through Montreal instead of Vancouver. Alfalfa meal is also going east instead of west for the same reason, the B.C. shipper facing a $6 differential.

The tinned apple trade has been affected similarly. Three years ago eastern Canada shipped only about 100,000 cases to the United Kingdom. This year it will ship four times that amount because of the increased rate from British Columbia. The rate on apples from the Pacific coast today is 70 cents per dozen tins, and from the Atlantic coast 40 cents.



PACKARDS ARE BIGGER

Longer hoods and wheelbase, new interiors and greater riding comfort are features of the new Packard lines for 1938, which embrace 35 different body types. Basic mechanical features are retained with detailed improvements to add quietness, longer life and smoother and more efficient operation. Additional use is made of rubber in the springing system.

Bodies of the Six and Eight are now completely made of steel with one-piece steel tops. Eleven different sound deadening and insulating materials are used. All cars are equipped with slanting Vee type windshields and all carry the traditional, but further refined, Packard radiator and hood lines.

Pictured above is the new big Super Eight.

Light Needed On Picket Law

C.M.A. Lawyer Urges Court Ruling or Legislation to Clarify Code

Need for legislation or judicial ruling to clarify the law on picketing in Canadian industrial disputes is stressed by G. V. V. Nicholls, of the Canadian Manufacturers' Association legal department, in an article in the October issue of Industrial Canada, C.M.A. organ.

The Criminal Code section relating to picketing specifically exempts from the ban on "besetting and watching" the appearance at a plant or other place of persons "in order merely to obtain or communicate information." The law definitely penalizes various forms of the use of violence, intimidation or harassment. But Mr. Nicholls points out that there is uncertainty left as to whether any offenses alleged under the section must be shown to have been committeed "wrongfully and without lawful authority."

Proof Difficult

It might be difficult in many cases, Mr. Nicholls suggests, for prosecutors or civil complainants to prove that actions of picketers had been performed to prevent legitimate business or working under terms satisfactory to the workman. He points out that if it is sufficient merely to prove commission of specified offensive acts, all picketing would be unlawful that went beyond communication and obtaining of information.

Mr. Nicholls suggests that if the privilege of peaceful picketing is to mean anything it must include the right to picket plants or to inoffensively accost loyal workers to persuade them to join the strike. He points out, however, that the use of violence, obstruction or threats to influence employees, deny access to plants, coerce employers or injure them in business, is in violation of both the law on picketing and other statutory provisions.

Asks Government To Call Tenders

Builders Protest Non-competitive Basis on Public Works

From Our Own Correspondent

MONTREAL.—The Builders' Exchange, Inc., of Montreal, has petitioned the Quebec Government to follow the example of the Dominion Government and instruct its spending departments not to award any contracts exceeding $5,000 in gross value without calling for tenders.

The request arose out of the fact that the Government has granted several contracts recently on a non-competitive basis.

In a letter to Premier Maurice Duplessis, the Exchange points out that such a procedure would give assurance to the taxpayers that their funds are being honestly administered and that contracts for public works are being executed at prices that are reasonable, thus rendering impossible or unlikely such criticism of the Government as may rightly be made when contracts are awarded on a non-competitive basis.

What's What In Advertising

By JEAN R. GEMMELL

Progress Corporation (Canada) Ltd., Toronto, manufacturers of Packard Lektro-Shavers & Lektrolite flameless lighters, are using the largest campaign ever put behind their products for their fall and Christmas campaign. The advertising is directed by F. H. Hayhurst Co., advertising agency, Toronto, and will appear in magazines with quarter and half pages in black and white and full pages in two or four colors. Rotogravure, week-end publications and a list of daily newspapers across Canada will also be used for this campaign.

• • •

Advertising copy announcing 1938 models of Hudson Terraplane, Hudson Six and Hudson Eight motor cars will be released by Ronalds Advertising Agency the last week in October, according to R. J. Avery, manager of Toronto office. Newspapers, color spreads in national magazines, as well as trade papers, will be used.

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Louis Francouer has been elected publicity counsel for Montreal's Industrial, Commercial and Economic Bureau. He has been on the staffs of the Montreal Star, Le Journal and Le Patrie.

• • •

Canada has definitely decided to have a pavilion at the Empire Exhibition in Glasgow in 1938, according to Major J. G. Parmelee, deputy minister of trade and commerce for Canada. He states the site has been chosen and will cover 24,000 square feet.

• • •

Hon. Vincent Massey, high commissioner for Canada, stated in an address while in Toronto recently that Canada's advertising campaign in the British Isles has been beneficial to both countries. Due to it, he sees an enthusiasm for increase of trade between Canada and the United Kingdom and the development of appreciation and understanding between producer and buyer. He states there is an increasing desire in Great Britain for Canadian products and a greater willingness on the part of Canadian producers of foodstuffs to attain standards peculiar to British markets, uniformity of products and constancy of supplies.

• • •

E. H. H. Smith, manager of the Montreal branch office of MacLaren Advertising Company Ltd., for the past 11 years, has been transferred to head office at Toronto as general service manager. In his new position he will supervise all advertising production of head office.

• • •

Special attention is to be given to packaging at the seventh annual exhibition of the Advertising and Sales Club of Toronto. One end of the exhibition hall will be devoted to a special display by packaging manufacturers, and on Wednesday afternoon, Oct. 27, a special forum is being held on this important subject in modern merchandising. A speaker at the forum will be C. B. Larrabee, managing editor, Printers' Ink Publications.

• • •

Consolidated Tobacco Company Inc., Montreal, are advertising Airmail cigarette tobacco. Initial advertising appeared in Toronto papers and will be followed by newspaper advertising in Hamilton, Kingston and other centres as distribution is completed. Benison Company Limited, Montreal, direct the account.

• • •

A new radio programme, "The Story Behind the Song," sponsored by The Canada Starch Company Limited has unusual appeal. Dealing with well-known songs and pictures the public learn the incidents which led up to their inspiration and composition. Vickers & Benson are handling the programme.

Left, above: City Hall, Pietermaritzburg

Thatching Native Hut

Vacation in SUNNY SOUTH AFRICA

Cango Caves, near Oudtshoorn

Native Chief

THE turning season sounds an urgent call—an invitation to a sunny clime beyond the north wind's reach. South Africa, a land where mystic past and prosperous present enchant the northern guest with sights of ancient yesterday and comforts of today. Here the Riviera-like climate tempts the traveller into paths where nature's lavish beauties charm the eye, where modern industry erects a peak of gracious living.

South Africa displays her wares, and in the catalogue one reads the magic names: Victoria Falls, Zimbabwe Ruins, the Cango Limestone Caves, the Drakensberg whose fortress peaks stand guard above the hidden drawings of the vanished bushman; native kraals, the Kruger National Park, historic Cape Town and the rolling surf upon the alban sands of sunbright Durban. Within this glamorous setting dwell your hosts—a people famous for their hospitality.

You will be surprised when you learn how easily your South African holiday may be planned and enjoyed. Leading travel agencies everywhere will gladly supply you with complete information. An interview today may be the first step toward a happy holiday and an unforgettable experience.

THRILLS OF THE PRIMITIVE IN CIVILIZED COMFORT

Transatlantic Traffic Better

Transatlantic business passenger traffic from the United States and Canada will show a gain of 20% for 1937, according to an estimate published in Business Week.

While transpacific services have suffered from the undeclared Sino-Japanese war and tourists have avoided the war spot in Europe the summer trek overseas on the whole has not been affected, it is stated. Starting with the May rush to the coronation bookings have held well above last year.

Increase Is Announced In North Atlantic Fares

From Our Own Correspondent

MONTREAL.—All steamships operating under the North Atlantic Passenger Conference will increase their rates on all classes of traffic by $5 on Nov. 1.

This is to be followed in May next by an increase in the differential between summer and winter rates from 5% to 10%. Higher operating costs, both afloat and ashore, are responsible for the increase.

The only Canadian company operating passenger service on the North Atlantic Conference is the Canadian Pacific Railway.

Western University Offers Municipal Affairs Course

Recognizing the need for a professional style of training for those entering municipal service, the University of Western Ontario, London, is pioneering in establishing courses in municipal affairs and municipal accounting for students in its Business Administration and Political and Economic Science departments.

The new courses are to be optional for third and fourth-year students in these two departments. Students who specialize in this work will be required to complete a thesis covering some original research in municipal government.

Actual cases in Canadian municipal history will be used in teaching. Preparation and collection of the cases will involve considerable research in this field.

Registrations in the course, which is inaugurated this year, indicate an active interest on the part of the students in the problems of municipal administration. The courses in municipal accounting will be taught by Prof. P. H. Hensel, head of the department of business administration, who will also have active supervision. Municipal affairs will be taught by Kenneth Crawford, city clerk of London and a graduate of the University of Western Ontario.

The Ontario Department of Municipal Affairs has been active in encouraging organization of the new courses which are claimed to be unique in Canada.

A regular short course for municipal officers was held by the Ontario department at the University on Oct. 14, 15, 21 and 22. Lecturers at this short course were, for the most part, officials of the department. Instruction was given in various phases of accounting, municipal government, welfare, legislation and tax levying and collection.

Transatlantic Calls Show Marked Increase

From Our Own Correspondent

MONTREAL.—Transatlantic telephone business during the first nine months of this year showed an increase of 93% over the corresponding period of last year, according to the Bell Telephone Co.

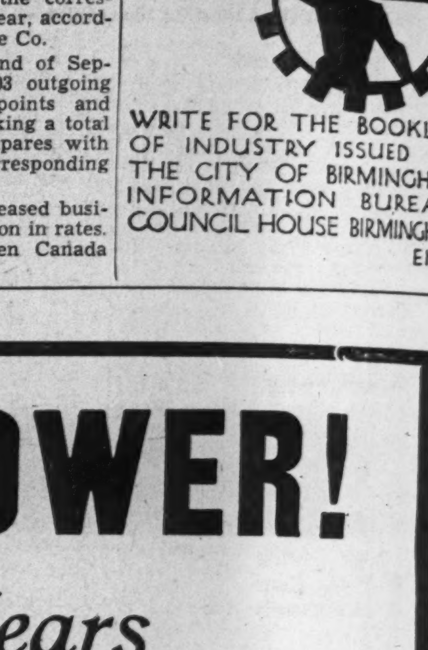
From Jan. 1 to the end of September, there were 1,503 outgoing calls from Canadian points and 1,110 incoming calls, making a total of 2,613 calls. This compares with 1,349 calls in the corresponding period of 1936.

One factor in the increased business has been the reduction in rates.

Most calls are between Canada and the British Isles.

ENGLAND'S INDUSTRIAL "Centre"

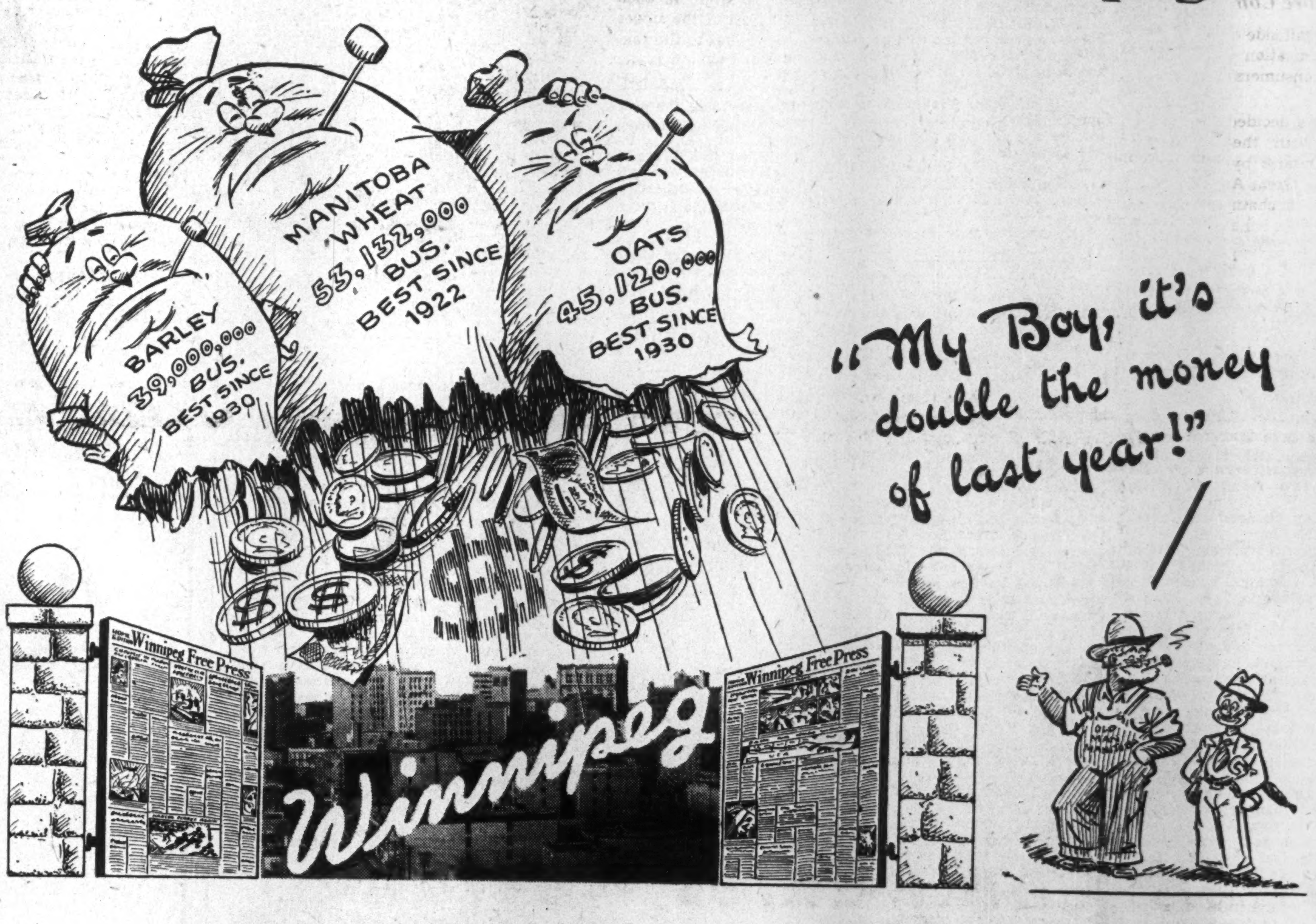
The manufacturer who has his factory in Birmingham shares the prestige and distribution facilities of a mighty city. He enjoys the conviction that his factory is in the midst of those conditions which have placed Birmingham at the forefront of the world's great industrial centres.



WRITE FOR THE BOOKLET OF INDUSTRY ISSUED BY THE CITY OF BIRMINGHAM INFORMATION BUREAU COUNCIL HOUSE BIRMINGHAM ENG

NEW SPENDING POWER!

Biggest Crop in Sixteen Years Pours into Winnipeg



If there ever was a time when it paid to advertise to Manitoba —that time is Today

The Free Press is the ONE Big Gateway to this Money Market

The wealth of Manitoba's farm lands, producing the biggest crop in nearly two decades, is on its way to town—to Winnipeg. It is nearly double the value of last year's crop, and more than three times the average value for the period 1931-35. For, in addition to *more* bushels of *better* quality, Manitoba benefits from a *higher* price.

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Behind the Food Stocks

Irregular Trends Demand Careful Scrutiny of Investments in Companies

CANADIAN food industries are completing a year of irregular trends.

Rapidly rising prices in early months, followed by a period of uncertainty and a downward adjustment in price levels, have resulted in a certain amount of business confusion.

Yet analyses in this issue of individual companies indicate that the definite improvement which marked early months will be generally carried forward in annual statements.

The year shows:

1. Keener chain store competition.
2. Millers, bakers, biscuit makers, adversely affected by higher priced wheat and flour in Canada.
3. Meat packers have maintained earnings in recent months.
4. Dairies showing higher earnings from increased volume with buying and selling prices closely subject to Government control.
5. Canning conditions spotty but definitely favorable to companies with widespread plants.

—Courtesy Canada Packers.

Government inspected

Chain Store Competition

In the retail side of the food business there is every indication of a more intensive fight for the consumers' favor in the coming months.

There is a decided swing to the self-serve system. With the opening of self-serve units in Ontario by Stop & Shop Ltd. and later by the Great Atlantic & Pacific Tea Co., it looks as if chain competition is going to be keener than it has been for some time and profits more difficult to maintain.

The fight for business began in earnest in Ontario a few weeks ago when A. & P. dropped prices in self-serve units on some lines from 7 to 10% below quotations in their other stores. Loblaw Groceterias Co. countered; others followed. The fight started in coffee, spread to sugar.

Dominion Stores Ltd., which in the past has had a big investment following, and Stop & Shop Ltd. (Thrift Stores) are naturally affected by this intensified competition. Early this year sales of Dominion Stores showed a nice increase and a net profit was realized, after depreciation, in the first six months. Since then, however, sales have declined, though at the moment they are still ahead for the year to date. The company has reduced costs in some ways but labor costs are higher. It may still be able to end the year with a profit but much will depend on the intensity of price competition among all the chains.

Quebec Tax Added Thorn

In Quebec, where few chains have been making money for some years, the special chain tax is providing an added thorn in some municipalities. This runs as high as $500 each for all units over 10. Most of the stores have not been making a net equal to the tax.

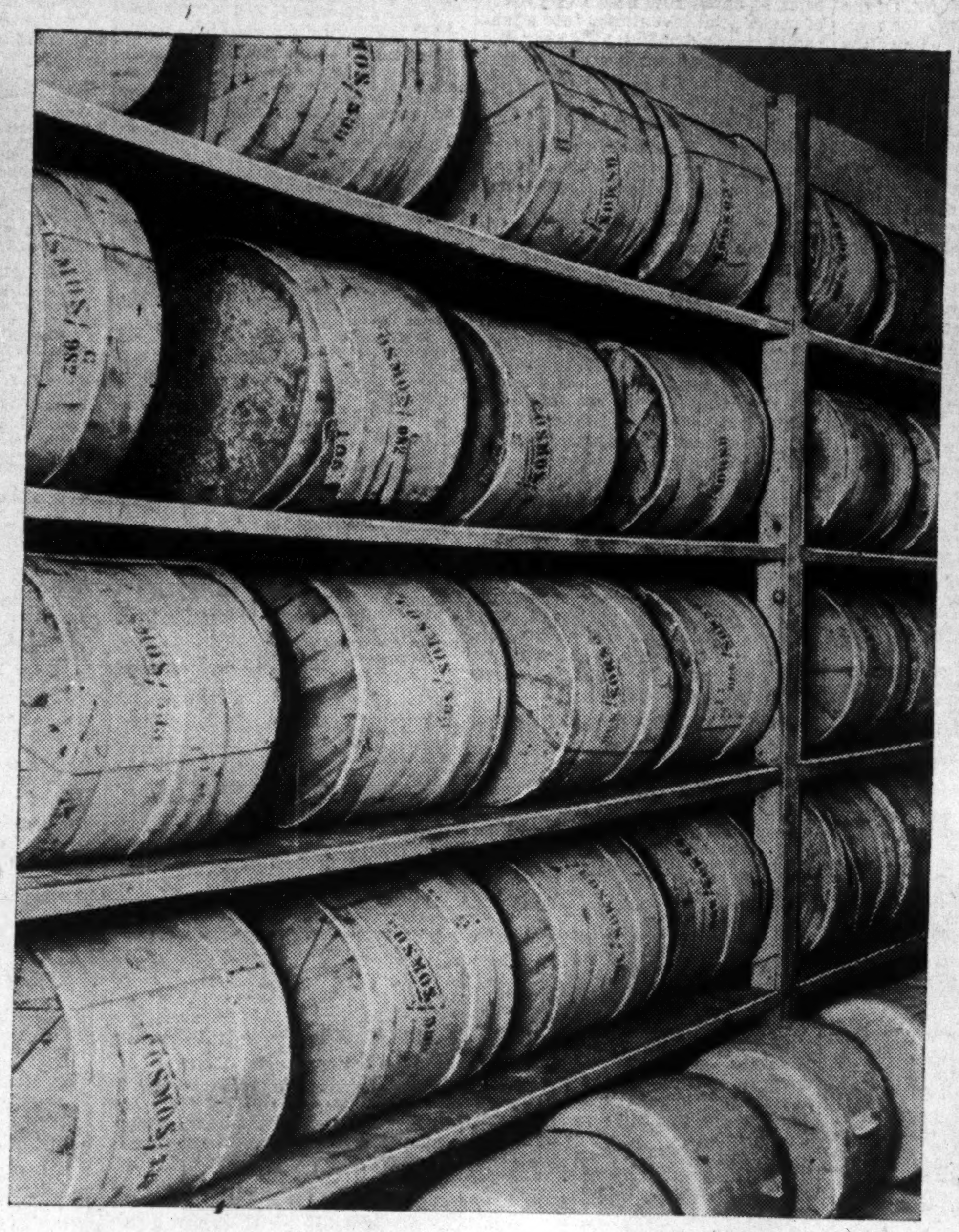
Now independent retailers, through provincial and local organizations, are campaigning for still higher taxes. Since Premier Duplessis is committed to favoring the smaller merchants, chain companies operating in Quebec, can scarcely look for relief in the immediate future. Only hope would be a court declaration that the special chain tax is ultra vires.

In eastern Canada Loblaw is the one chain that has made consistent progress. Its expansion has been through bigger market stores and extension of warehouse facilities to take care of meat, fruit and vegetable distribution. It has an attractive reserve and should continue to make substantial profits. Wages and salaries are running $100,000 a year above January, 1936. Whether Loblaw's net profits will exceed the previous fiscal year (ended last May) will also depend on how warmly the price battle wages.

High Flour Prices

The milling and baking industries have their price problems, too, but of a different kind and more difficult of immediate solution.

With the shortest crop in years, Canadian wheat is so badly wanted by foreign buyers that they are paying a handsome premium for it. As long as the spread between Canadian and foreign wheat continues, Canadian millers will be forced to maintain flour prices. With foreign competitors using the high priced Canadian wheat for mixing only, the Canadian millers will be hard pressed to retain their export business on anything approaching a paying basis.



Canadians are eating more cheese and more kinds of cheese.

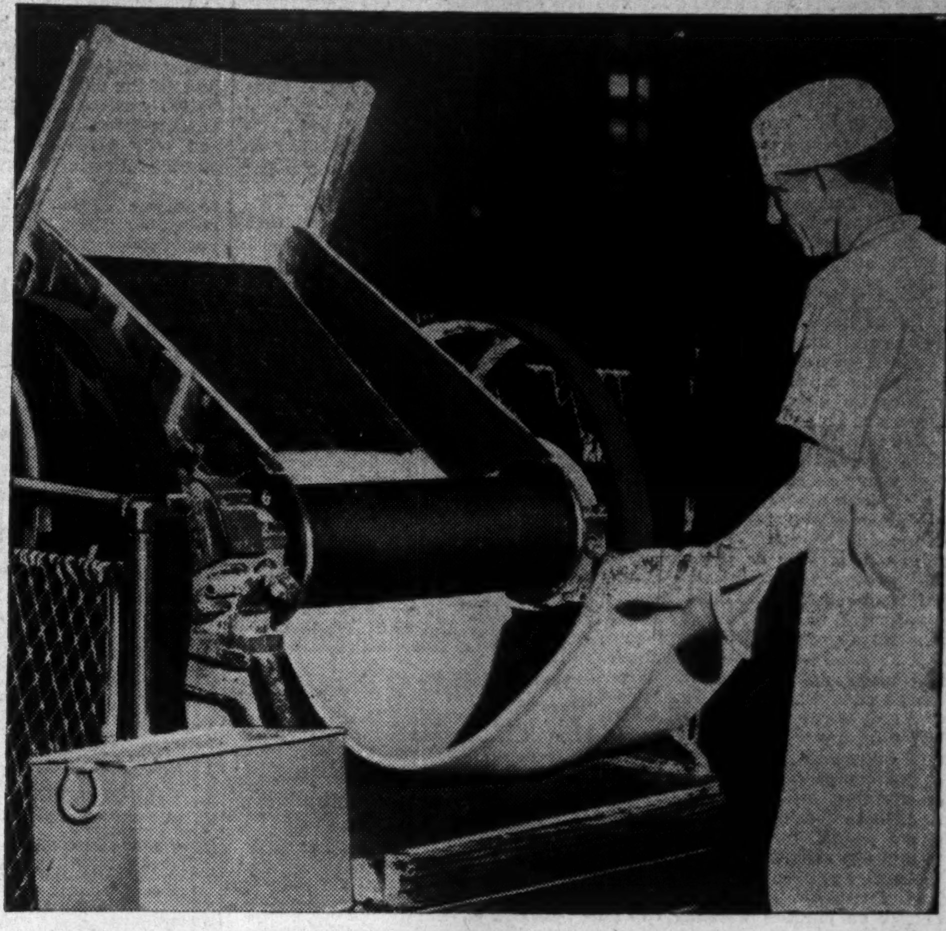
Bread and Biscuits

The troubles of the millers are naturally felt by the bakers, as flour is one of their principal ingredients. But the bakeries have been able to develop a modest increase in their sales volume on practically a national scale. In addition, the former practice of chain stores featuring second grade loaves at cut prices as "loss leaders" has stopped in many areas.

There is keen competition in the business, however, and the rising costs in recent months have moderated profits. A favorable factor for the bakeries is the continued development of such specialties as cakes and pastry without proportionate increases in their distribution overhead.

Another branch of baking has been stumbling through the trying times of the last few years. Keen competition in the biscuit industry, due in part to over-equipment, has been accentuated by the excise tax on sugar plus the sales tax and higher flour costs.

Manufacturers have aggressively brought out new lines in the hope that one or more would catch the public fancy. It is a dull month when something new does not appear from the ovens of at least one manufacturer. At the moment novelty seems the life of the biscuit industry—and it is very important. The gradual change in evening entertainment and the increasing consumption of cheese in Canada are factors in increasing biscuit consumption.



—Courtesy McCormick's Ltd.

It's a dull month without a new kind of biscuit.

Competition Keen

But because of the ability of the industry to turn out more goods than the trade and consumer can absorb, competition has been exceedingly keen. Biscuit manufacturers have recently endeavored to increase prices to take care of rising costs. The smaller companies have been, perhaps, in a better position to make money than the larger ones.

Flour has been easing off in recent weeks and this has lightened the burden for manufacturers who had not stocked up on long-term contracts. Difficulty experienced by millers in exporting flour because of the comparatively higher cost of wheat in Canada, has been an important reason for the decline in price.

New display methods have transformed groceries.

Packers' Export Business

Export figures paint a different picture for the Canadian meat packing business. Maintenance of trade with Britain under Empire agreements in hams and bacons is perhaps the most important single factor in the outlook for packing firms. The agreements and a level of about $5 for the pound sterling, have contributed to improved earnings in the last three years. This year exports of hog products have definitely increased, which is encouraging to the investor in packing shares.

The packing companies have recently operated with earnings close to 1936 levels. The situation of the larger firms is illustrated by the experience of Burns & Co. and Canada Packers as reported elsewhere in this issue. Earnings of Burns have been affected adversely, mainly because of labor disturbances, reduced volume in western drought areas and wage increases.

There have been increases in sales of hogs and cattle and prices remain well above 1936 levels. The relative price movement has been stronger for cattle, which, however, does not necessarily affect packing firms materially, since they slaughter a variety of livestock.

Problems of Dairies

To a greater extent than any other division of the food industries, dairy companies face serious problems in connection with control over prices—both buying and selling—of milk.

The companies which have had the best results are those that have been able to expand their volume without proportionate increases in overhead costs or which have large interests in evaporated and powdered milk.

The 8% sales tax on ice cream has been particularly costly to dairy firms. It eats into what is one of the most profitable types of business and it is said to be discriminatory because some large users of ice cream, such as hotels and large restaurants, manufacture and sell their own and don't pay sales tax on it.

Generally, however, dairy firms with careful management, can make moderate profits. The possibilities of improved earnings appear to be limited to gradual gains through expansion of volume.

Canning Industry

The canning industry is a creature of the weather. Weather conditions have fluctuated widely in different parts of the country, with the result that the 1937 picture is spotty. In general, firms like Canadian Canners Ltd. with many plants located at strategic points, have been favored. Individual plants in areas where crops were abundant, have had a good year.

Canning in Canada has two main divisions—vegetables and fruit. Vegetables are the big volume item, with peas, tomatoes and corn the most important.

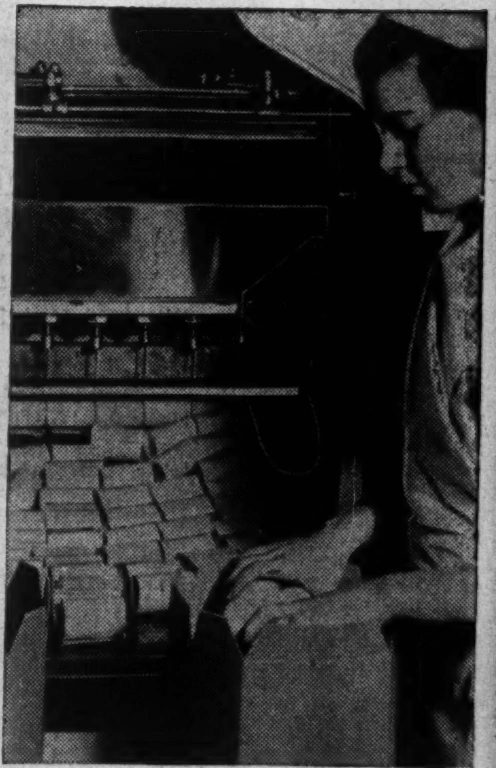
Peas are canned in July and this year Ontario had a fairly normal pack. Quebec was short because of backward weather during June. Last year the opposite was the case. Ontario canners will make money out of peas this year but a majority of Quebec firms will not.

Whether canners will make money on tomatoes—and this is the big vegetable item—will depend on continuance of the export trade. Sanctions may have been a diplomatic failure as applied to Italy during her Ethiopian adventure, but they switched the large British trade in canned tomatoes from Italy to Canada. Spain was the other large supply source. Canadian canners look to increasing their hold on the British market. A third of the total Canadian pack may go overseas.

Small Carryover

Government figures showed that on July 1 canners had only 91,000 cases of tomatoes left and there were only 255,000 in jobbers' and chain hands. That was an exceedingly small carryover out of total pack last year of 2,280,000 cases. Even though a good percentage of this year's pack is not of high quality because of the hot, humid August weather, future of this market looks good.

Similarly with corn, the pack has been spotty. In some districts canners secured 100% of contracts, but in others not more than 50 to 60%. On the whole, the pack should not be too great for canners to get their costs and some profit.



—Courtesy City Dairy Co.

Ice-cream rolls—a new development

Canada has had an abundant fruit crop this year, with one or two exceptions, and packs of canned fruits, as well as jams, are normal or better. For this reason prices lack strength and are either the same or a little less than a year ago. Canada, however, has been developing a nice export trade in various canned fruits.

One difficulty at the moment is lack of shipping space on Atlantic boats out of Montreal. Canned tomatoes, for instance, have been sold for export on a delivered basis and unless the goods can leave the country before the St. Lawrence freeze-up they will have to go via Saint John or Halifax, which adds to cost. Orders from British buyers for tomatoes keep coming in practically every week to one firm or another, so that shortage of shipping space is annoying.

Food Companies Reviewed

Position of leading food companies, whose securities are discussed in this section, is as follows:

Acadia Sugar—While recent earnings have reflected effects of keen competition, interest and preferred dividends have been well covered. Page 21

Atlantic Sugar — Affected by competitive conditions in the industry, but covering all interest by wide margin. Page 20

Barker's Bread—Rising costs offset partly by increased volume as indicated by continued dividends Page 18

Borden Co.—Dividends being covered by a comfortable margin. Page 16

B. C. Packers—Smaller packs of salmon indicate prospect of reduction in sales volume this year. Page 21

Blue Ribbon — Earnings have risen above full preferred dividend but partial rate is being maintained for the present. Page 18

Burns & Co. — Earnings have fallen this year, but if remaining months equal 1936 all interest could be paid. Page 21

Burry Biscuit — Sales and earnings have improved materially this year. Page 20

Canada & Dominion Sugar—While competition has moderated earnings, powerful finances permit extra dividends. Page 20

Canada Bread—Higher cost of ingredients offset part of gain in volume but position generally improved. Page 17

Canada Starch — Regular dividends being paid Page 18

Canada Packers—This year earnings have run at approximately same levels as last year. Page 21

Canada Vinegars — Increase in sales expected to result in improved earnings substantially above dividends. Page 19

Canadian Bakeries—Higher costs and keen competition in West leave earnings at unsatisfactory levels. Page 17

Canadian Canners — Due to geographical spread of plants and high export volume, year has promise of improvement. Page 16

Carnation Co. — As usual, covering dividends by wide margins. Page 16

Catelli Food — Improvement expected despite rising costs of materials. Page 16

Connors Bros.—Business volume good and favorable results expected. Page 21

Consolidated Bakeries—Higher costs affect earnings but maintenance of $1 dividend considered encouraging indication. Page 19

Dairy Corp.—Bank loans still freeze current position, precluding cash distributions. Page 22

David & Frère—Improvement recorded despite higher costs and competition. Page 22

Dominion Stores — Still problematical whether small profit can be shown. Page 20

Dominion Bakeries — Plants rented and even first preferred hopes dim. Page 17

Eastern Bakeries — Earnings have shown marked improvement despite higher costs. Page 17

Eastern Dairies—Interest charges expected to be covered this year. Page 20

Fanny Farmer—Increased sales and earnings with expansion of chain permit higher dividends. Page 18

Hunt's—Sales and earnings have increased this year. Page 22

Inter City Baking — Higher costs work against improvement of earnings. Page 18

Inter City Western Bakeries—Bakeries in West only able to earn part of bond interest. Page 23

International Milling — Diverse operations permit wide coverage of preferred dividends. Page 17

Lake of Woods Milling—Decline in earnings shown and outlook unsatisfactory because of comparative high price of Canadian wheat. Page 18

Laura Secord — Earnings stable at levels above dividend requirements. Page 18

Loblaw Groceterias — Higher sales and earnings reflected in extra dividends. Page 19

Maple Leaf Milling—Although recent report was best in six years, the wheat situation is adverse for ensuing year. Page 17

Moirs—Improvement recorded but insufficient to suggest dividends. Page 20

Muirhead's—Higher costs offset by increased sales prices but deficits not yet corrected. Page 18

McCormick's—Earnings higher in first half of 1937. Page 19

National Grocers—Earnings well maintained, but arrears on preferred, which are gradually being paid, don't permit common dividends. Page 16

Ogilvie Flour — Slight reduction in earnings expected. Page 22

Quinte Milk Products — Simplified capital results from 1937 reorganization. Page 23

Robinson Cone—Dividends maintained despite fluctuating earnings. Page 22

St. Lawrence Flour — Feels unfavorable effect of high Canadian wheat prices on export volume. Page 18

Silverwood Dairies — Higher volume has permitted gain in earnings which are running above preferred requirements. Page 20

Stop & Shop Thrift Stores — Merger expected to reduce deficits and Stop & Shop bonds secured by rental revenues. Page 16

United Dairies — Profits higher but only partial preferred dividends paid. Page 22

Viau Ltd.—Like other biscuit firms, has felt higher costs but appears able to maintain preferred dividends. Page 23

Western Canada Flour — Earnings have gained but prospect of lower exports is unfavorable. Page 18

Western Grocers—Early this year results reported better and is expected to cover higher dividend comfortably. Page 19

Weston, Geo.—Higher costs have had adverse influence on earnings but there has recently been some recovery. Page 19

National Grocers

Volume Higher So Far in 1937 but Lower Prices and Higher Costs May Affect Profits — Further Payments on Arrears

National Grocers Ltd. reports some increase in both dollar volume and tonnage of goods handled for the first half of the current fiscal year. Just how this will affect profits, however, is not known yet. The company has been faced with more expense this year from such items as higher wages.

Another feature of the wholesale grocery trade this year, which is in contrast to this time a year ago, is that prices have been showing a tendency to drop, whereas in 1936 a rising market prevailed throughout the year. This means that to achieve an increase in dollar volume of goods handled, the company has to obtain a greater increase in tonnage.

Officials of the company state that no plans have been considered for liquidation of arrears so far this year. A payment of $1.75 a share was made on account of preferred arrears on Aug. 10, 1937, leaving arrears at $26.25 a share.

Net profits available for common were equivalent to $1.16 a share in the year ended March 31, 1937, which set a new high mark. There is, however, no prospect of dividends on the common, so long as there are arrears on the preferred.

The company distributes groceries wholesale throughout Ontario. It was formed to consolidate 23 former wholesale grocery firms, and operates 32 wholesale jobbing branches and warehouses, 22 of which are owned outright. It supplies over 500 Red and White chain stores, which, however, are owned by the individual proprietors.

The company issued $1.2 million of 4% first mortgage serial bonds in 1935 to redeem a previous issue of 6% bonds. Two serial maturities of $100,000 each have been met and the issue has been reduced to $1 million. While providing a fairly heavy charge on current working capital, this issue resulted in a reduction in interest charges.

Capitalization—

	Authorized	Outstanding
Com., n.p.v.	300,000 shs.	295,852 shs.
Pref., par $100 ..	$3,500,000	$2,953,200

Funded Debt— 1st mtge bonds, 4% serial, due 1936 to 1947, outstanding $1,100,000.

Dividend Record— Preferred — 7% cumulative payable 1st Jan., Apr., July and Oct. Dividends of 1¾% paid Jan. and July, 1929, Jan. and July, 1930, Oct., 1931 and Jan. and July, 1933; $2.61 paid Jan. 1, 1935; $1.75 Apr. 1, May 1, 1934, July 2, 1934; $3.50 Sept., 1934; $1.75 Oct. 1, 1934, Jan. 2 and Apr. 1, 1935; $3.50 May 1, 1935; $1.75 July 1 and Oct. 1, 1935, Jan. 1 and Apr. 1, 1936; $3.50 June 1, 1936; $1.75 July 1, Oct. 1, 1936, Jan. 1, and Apr. 1, 1937; $3.50 June 1, 1937; $1.75 July 1, Aug. 10 and Oct. 1, 1937. Arrears as at Aug. 10, 1937, $26.25 per share.
Common—None paid to date.

Head Office—21 Front St. E., Toronto.

Officers and Directors—
Officers — Marland Woolnough, chm.; Archie Foster, pres. and gen. mgr.; M. D. Lemon, vice-pres.; H. L. McNally, asst. gen. mgr.; T. H. Kinnear, sec.-treas.; R. H. Bainard, compt. and asst. sec.-treas.
Directors—D. Blain, Archie Foster, T. H. Kinnear, M. D. Lemon, T. J. Medland, Marland Woolnough, Toronto; Hon. G. Gordon, North Bay; W. H. Kenny, Sarnia; A. J. Major, Ottawa; W. G. McLauchlan, Owen Sound; J. H. Simpson, Guelph.

Times Bond Interest Earned—

Year end Mar. 31:	1937	1936	*1935
Before deprec.	13.37	9.89	7.12
After deprec.	11.70	8.20	5.96

*Nine mos. ended March 31, 1935.

Earn. per Share and Div. Record—

Pref.: Earned	$18.63	$14.46	$11.09
Paid	10.50	10.50	8.75
Com.: Earned* ..	1.16	0.74	0.58
None paid.			

*After deducting full year's preference dividends but before taking arrears into account

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1931	567,064	26,734	634,176
1932	569,291	51,681	809,328
1933	601,109	103,362	838,007
1934	711,593	230,744	981,891
1935†	566,583	258,405	751,365
1936	733,181	310,086	868,311
1937	871,674	310,086	1,108,472

†Nine mos. to Mar. 31, 1935.

Market Record—

	*1937 H	L	1936 H	L	1935 H	L
Com. ..	11	7¼	9¾	5	7½	4½
Pref. ..	140	128	140	130	135	121

*To Oct. 13.

Stop & Shop

Has Become a Holding Company for Thrift Stores

As a result of amalgamation with Thrift Stores in August last, Stop & Stop Ltd. is now a holding company. Its investment interest in Thrift Stores consists of 7,455 first preferred shares, all of the 12,000 second preferred shares and about 55% of the common stock.

Through the amalgamation, Thrift Stores acquired from Stop & Shop all its current assets, including inventories. It did not, however, acquire any real estate, properties or equipment, these being leased from Stop & Shop. Thrift Stores assumes no liability in respect to the bonds of Stop & Shop, but it is understood that rentals from store properties and equipment are sufficient to meet interest charges.

Stop & Shop has not issued its financial statement for the year ended Feb. 27 last, but this is expected in the near future.

Capitalization—

	Authorized	Outstanding
Pref. 6% cum. Par $10.	$750,000	$555,500
Com., n.p.v...	*125,000 shs.	49,841 shs.

*75,000 shares are reserved for conversion of preference stock.

Funded Debt— 6% 1st mtge. s. f. bonds, series A, due 1947, outstanding $644,500.

Dividend Record— Preferred—Entitled to 6% per annum, cumulative, plus participation. Initial dividend of 25 cents paid Apr. 16, 1934. Similar payment made on July 15, 1934, none since.
Common—None paid.

Subsidiary—(Wholly-owned).
Thrift Stores, Ltd.
Pure Food Stores, Ltd., Montreal.

Head Office—1385 Bloor St. W., Toronto.

Officers and Directors— R. H. Hommel, pres.; H. R. Berg, vice-pres., Toronto; G. A. Wright, vice-pres., Montreal; H. B. Housser, A. D. Cobban, R. W. S. Johnston, E. F. Coste, T. A. McAuley, Toronto; B. N. Barrett, Kitchener, Ont. Sec.-treas., G. C. Anspach.

Times All Interest Earned—

Year end.:	Feb. 23 1936	Feb. 24 1935	Feb. 25 1934
Before depr.	nil	0.56	3.64
After depr.	nil	nil	2.32

Earnings per Share and Dividend Record—

Pref.: Earned ..	$d2.25	$d1.29	$0.82
Paid	nil	0.50	nil
Common: None earned or paid.			

Market Record—

	*1937 H	L	1936 H	L	1935 H	L
Com...	3½	1	2½	½	4¾	4⅝

*To Oct. 14.

Thrift Stores

Merger With Stop and Shop Results in Improvement

Although Thrift Stores reported a higher loss in the year ended March 27, 1937, there has been improvement in the company's position as a result of its merger with Stop & Shop Ltd. Deficit for the year amounted to $93,613 as compared with $1,052 in the previous year.

It should be noted, however, that a portion of the loss was due to expenses incidental to the amalgamation. Of the total deficit for the year, $56,037 was incurred during the five months prior to the amalgamation and only $37,576 during the eight months following the merger. Of the latter amount, $26,403 was for non-recurring expenses in connection with the merger. During the current year there has been improvement in the earning position. In the five months ended May 31 last a small profit was shown.

Extensive alterations have been made in a number of Toronto stores, which were formerly operated by Stop & Shop. There are now 25 self-service stores and in most cases these have shown substantial increases in sales.

The company now operates 170 stores, five Thrift stores and two Stop & Shop stores having been closed in the Montreal area. Competitive conditions in the Montreal area continue unsatisfactory and earnings in this area are affected by special chain store taxes.

Capitalization—

	Authorized	Outstanding
1st pref. cum. 6½%	$350,000	$342,750
2nd pref., par $10	120,000	120,000
Ordinary, n.p.v..	*57,000 shs.	20,000 shs.

*36,420 shares reserved for conversion of 1st and 2nd preferred shares.

Dividend Record—
1st Preference—Entitled to 6½% per annum, cumulative from Oct. 1, 1929; payable quarterly, Jan., Apr., July and Oct. 1. Initial dividend paid Jan. 2, 1930, and regularly to and including Jan. 1, 1935; none since.
2nd Preference—Entitled to 7% per annum, cumulative from Oct. 1, 1929. Payable quarterly, Jan., Apr., July and Oct. 1. Initial dividend paid Jan. 2, 1930, and regularly to and including Jan. 1, 1935; none since.
Ordinary—40 cents per share paid quarterly July 1, 1933, to Oct. 1, 1934; none since.

Subsidiary—
M. Rudolph Limited—Wholly-owned by parent company and earnings consolidated with those of latter.

Head Office—Montreal.

Officers and Directors—
Officers—W. M. Hodgson, chm. of the board; R. H. Hommel, pres.; H. R. Berg, vice-pres.; G. A. Wright, vice-pres. in charge at Montreal; G. C. Anspach, sec.-treas.
Directors—A. D. Cobban, H. B. Housser, E. F. Coste, H. R. Berg, R. H. Hommel, Toronto; W. M. Hodgson, G. A. Wright, W. E. Dunton, Montreal; B. N. Barrett, Kitchener.

Earnings per Share and Dividend Record—

Yr. end. Mar. 31:	1937	1936	1935
1st pref.:			
Earned§ ...	d$6.83	d$0.08	d$2.39
Paid	nil	nil	1.21⅞
2nd pref.:			
Earned§	d9.66	d1.94	d4.59
Paid	nil	nil	0.52½
Ordinary:			
Earned§	d6.21	d1.59	d3.17
Paid	nil	nil	0.20

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1931	95,780	31,150	55,189
1932	107,131	31,150	93,296
1933	111,837	30,796	119,713
1934	110,700	38,679	150,089
1935	†18,387	27,009	87,086
1936	*13,862	......	86,034
1937	†65,036	......	†11,300

*Covering period from Apr. 1, 1935, to Mar. 28, 1936. †Loss.

Canadian Canners

Company Enjoying Normal Year; High Export Volume Expected to Aid Earnings; Crop Results Considered Satisfactory

Canadian Canners Ltd. is enjoying what the management regards as a normal year. New packs of fruits and vegetables are not regarded as excessive and exports have been considerably larger than last year. It is anticipated that income will be as good as for the year ended Feb. 28, 1937, with a probability of some improvement.

The increase in earnings last year was due largely to an increase in sales of about 20% and a carryover of substantial inventories into a season of strong demand. This year, the company made early arrangements for large export sales which supports earnings.

Dividend Policies

Dividends have been resumed on the second preference stock at an annual rate of 60 cents a share, and it is understood there is some possibility of the management considering additional payments, depending upon conditions. So far in the current year, marketing conditions are regarded as satisfactory.

The position of the second preference and common shares has been strengthened by refinancing of former 6% bonds at 3% and 4% and the dividend rate on the first preferred last year was adjusted to 5%. The savings assist in substantial debt reductions and aid earnings on the junior securities. The company has in the past followed a generous dividend policy which is important to the second preferred and common. If there is an increase in dividends on the second preferred shares, there would also be an increase, up to 1%, in the first preferred rate. The common shares also participate, but at a higher rate in any further dividend above 60 cents per share on the second preferred.

Capitalization—

	Authorized	Outstanding
1st pref. 5% .... Par $20.	$4,327,700	$3,884,850
2nd conv. pref. . N.p.v.	399,160 shs.	363,732 shs.
Com., n p.v. ...	400,840 shs.	137,784 shs.

Funded Debt— 1st mtge. serial bonds, 3%, due 1937-42, outstanding $1,080,000; 1st mtge. 4%, due 1951, $2,420,000.

Dividend Record—
1st preferred—5% ($1), cumulative, payable 1st Jan., Apr., July and Oct. Initial dividend of 25 cents paid April 1, 1937, and regularly since. Initial dividend of 1½% on old 6% first preference stock paid Jan. 2, 1928, and regularly thereafter to and including Jan. 2, 1937.
2nd preferred—Present rate 60 cents per share per annum, payable quarterly, Jan., Apr., July and Oct. 1, established with payment of 15 cents per share on July 2, 1937.
Common—None at present. Was 20 cents per share per annum, payable quarterly.

Head Office—Hamilton.

Subsidiaries—(Wholly-owned)—
Canners Seeds, Ltd., Wellington, Ont.—Grows seeds for vegetables.
Pembroke Shook Mills, Ltd. — Makes boxes at Pembroke, Ont.
Canners Machinery, Ltd. — Manufactures machinery at Simcoe, Ont.
Wagstaffe, Ltd.—Hamilton, Ont.
Canadian Canners (Western) Ltd. — Operates eight canning factories in B. C.

Officers and Directors—
Officers—Avern Pardoe, chm. of board; W. R. Drynan, pres. & gen. mgr.; C. E. Innes, vice-pres. & asst. gen. mgr.; P. Croucher, sec.-treas.
Directors—Avern Pardoe, W. G. Lumbers, Lt.-Col. W. G. MacKendrick, J. A. Northway, Toronto; W. R. Drynan, C. E. Innes, Aleck Leitch, Hamilton; W. L. Innes, Simcoe, Ont.; E. A. Pearce, Picton, Ont.; G. C. Edwards, Ottawa.

Times Interest Earned§:

Yr. End. Feb. 28:	1937	1936	1935
Before deprec. & after exch., int., etc.	8.25	4.56	3.39
After deprec., exchange, int., etc.	6.23	2.98	2.10

§Before income tax.

Earnings per Share and Dividend Record—

First pref. (new):			
Earned*	$3.43	....	....
Earned†	1.20	....	....
First pref. (old):			
Earned	17.13	$7.79	$4.57
Paid	6.00	6.00	6.00
Second pref.:			
Earned*	1.30	0.19	d0.15
Earned†	0.90	0.19	nil
Paid	nil	0.20	0.37½
Common: Earned†	0.75	d1.08	d1.99
Paid	nil	nil	nil

*Before taking into consideration dividend provision governing second preference and common shares.
†After taking into consideration dividend provision governing second preference and common shares.

Seven Years Earnings— Year end. Feb. 28:

Year	*Earnings $	Dividends $	Surplus $
1931	1,025,037	739,591	851,382
1932	511,656	612,053	541,013
1933	729,017	451,267	393,531
1934	804,002	342,206	394,233
1935	621,842	369,479	499,824
1936	792,065	305,828	496,447
1937	1,239,050	233,088	428,678

*After taxes.

Market Record—

	*1937 H	L	1936 H	L	1935 H	L
Com. ...	9¼	6	9⅝	4	6¾	3¼
1st pref.	20⅛	18	105	88¾	94	75
2nd pref.	12½	9	12½	5	9⅜	4½

*To Oct. 6.

Carnation Co.

Company Earning Preferred Dividends by Wide Margin — Big Milk Business

Carnation Co. whose 5% first preferred is now listed on the Toronto Stock Exchange, is understood to be enjoying improvement in earnings in 1937. The company's main interest is in the manufacture and sale of evaporated milk

Through subsidiaries, the company also prepares and distributes many kinds of fresh dairy products. Plant expansions were undertaken in 1936 and extension into new sales markets is expected to help its 1937 volume.

Dividends on the 5% preferred, the principal security of interest in Canada, have been earned by very wide margins.

Capitalization—

	Authorized	Outstanding
1st pref., par $100	$5,000,000	$3,889,200
Com., n.p.v. ...	800,000 shs.	609,600 shs.

Funded Debt— 3% notes (Albers Bros.) due serially to July 1, 1942, $800,000.

Dividend Record—
Preferred — 5% per share per annum, cumulative from April 1, 1936, payable quarterly, Jan., April, July and Oct. 1, in U. S. funds. Prior to April 1, 1936, rate was 7% per annum. Paid regularly to date.
Common — Present rate $1 per annum, payable Jan. and July 1. Extra of 50 cents per share paid in 1936.

Officers and Directors—
Officers — E. A. Stuart, chm. of bd.; E. H. Stuart, pres. and treas.; P. G. Kinzer, J. F. Douglas, W. C. Cross and A. M. Ghormley, vice-presidents; W. N. MacBriar, asst. vice-pres.; E. S. Hartwick, sec. and asst. treas.; F. B. Petersen, asst. treas.; K. I. Ghormley and E. L. Grimes, asst. secs.
Directors—E. A. Stuart, Los Angeles; E. H. Stuart, J. F. Douglas, A. M. Ghormley, George Albers, Seattle, Wash.; P. G. Kinzer, Walter Kasten, Milwaukee, Wis.; W. C. Cross, Oconomowoc, Wis.; R. H. Fullerton, New York.

Three Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1934	1,996,884	751,491	3,461,564
1935	2,063,427	739,385	3,638,919
1936	3,428,796	1,093,291	4,333,565

Times All Interest Earned:

	1936	1935	1934
Before deprec. & obsol.	87.05	30.46	27.65
After deprec. & obsol.	67.04	20.06	18.07

Earnings per Share and Dividend Record—

5% pref.: Earn. .	†$53.03	....	....
7% pref.: Earn. .	....	$60.38	$52.18
Paid	5.50	7.00	7.00
Common: Earn.	†3.09	1.68	1.50
Paid	1.50	1.00	1.00

†Before deduction of surtax on undistributed profits; after this deduction, earnings per share were $48.96 on the pref. and $2.83 on the common stock.

IN the brief span of a business day, the A&P stores in Ontario and Quebec are visited by a constant stream of customers.

BEHIND this daily steadfastness there is something finer and greater than the customers' personal gain.

IT is the characteristic Canadian appreciation of, and whole-hearted adherence to, those things and those institutions which are honest and genuine and good.

A&P FOOD STORES

A&P Food Stores

Broder Canning

Broder Canning Co. operates plants at New Westminster and Chilliwack, B.C. It cans fruits, vegetables, soups, pork and beans and jams under the trade name "Royal City."

Capitalization—

	Authorized	Outstanding
Pref., par $100 ..	$300,000	$ 86,700
Com., par $100 ..	350,000	250,000

Funded Debt— None.

Dividend Record— Preferred—7% per annum, cumulative, payable Jan., Apr., July and Oct. 1. None since Apr. 1, 1931.

Head Office—New Westminster, B.C.

Officers and Directors— F. D. Mathers, pres. and gen. mgr.; H. C. Wade, sec.-treas.; C. W. Moore, sales mgr.; C. H. Reed, L. A. Lewis.

Catelli

Dividend on Common Is Reflection of Improved Earning Power

Advancing costs of raw materials have had an influence upon operations of Catelli Food Products this year. While no official statement has been made as regards income, it is anticipated that the report for the year ended Nov. 30 will show a further improvement in the financial position.

The company had a gross income of $156,724 last year, as against $132,125 in the previous year. After senior charges, there was a net profit of $66,656, up from $52,203 in 1935. During the year the company paid regular dividends on preferred and 25 cents a share on common.

Recapitalization last year reduced par value of the preference stock from $30 to $15 a share, while the outstanding common shares were increased in number from 30,000 to 46,000.

Capitalization—

	Authorized	Outstanding
Pref., par $15..	40,000 sh.	40,000 sh.
Com., n.p.v.....	46,000 sh.	46,000 sh.

Funded Debt— None.

Dividend Record—
Preferred—5% per annum, cumulative from Dec. 1, 1935, payable June 1 and Dec. 1; initial dividend of 38 cents paid June 1, 1936.
Preferred: 5% per anuum, payable May 31 and Nov. 30; initial dividend paid June 1, 1936, and regularly since. On old class "A" preferred, $2 per annum paid regularly from Dec. 1, 1928 to Sept. 1, 1930; none thereafter.
Common—Initial interim dividend of 25c. paid Nov. 30, 1936 and 25c May 31, 1937. Old class B common: none paid.

Head Office—305 Bellechasse St., Montreal.

Officers and Directors—
Officers — Aimé Geoffrion, pres.; A. Bienvenu, vice-pres.; Paul Bienvenu, man. dir.; Peirce Murphy, sec.
Directors—Aimé Geoffrion, A. Bienvenu, R. R. Dobell, W. W. Hutchinson, Alphonse Raymond, Paul Bienvenu, Henri Geoffrion, Montreal; I. Rader, Vancouver; J. Sirois, Quebec.

Earn. per Share and Dividend Record—

	1936	1935	1934
Pref.: Earned....	$1.67	....	....
Paid	0.75	....	....
Com.: Earned	0.80	....	....
Paid	0.25	....	....
Class A: Earned..	...	$1.30	$0.67
Paid	...	nil	nil
Class B: Earned..	...	nil	nil
None paid.			

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1930	88,079	90,000	†70,655
1931	154,430	......	†12,080
1932	92,627	......	†8,775
1933	74,395	......	†22,426
1934	74,409	......	2,841
1935	98,871	......	55,555
1936	120,879	41,500	80,140

Market Record—

	*1937 H	L	1936 H	L
Common	11½	4	11½	2¼
Preferred	11⅛	10	15	10

*To Oct. 14. New.

Borden Company

The Borden Co., an operating and holding company engaged in all branches of the dairy industry in the United States and Canada, maintains a dividend of $1.60 a share annually, covered by a comfortable margin in 1936.

Through a subsidiary, Borden's Ltd., the company has wide interests in Canada.

The Canadian operating companies are: The Borden Co. Ltd., City Dairy Co., Ltd., Caulfields Dairy Ltd., The Drimilk Co., Ltd., Toronto; Hamilton Pure Milk Dairies, Ltd., Hamilton; Ottawa Dairy Ltd., Château Cheese Co. Ltd., Laurentian Dairy Ltd., Ottawa; Walkerville Dairy, Ltd., Windsor, Ont.; Borden Farm Products Co., Ltd., J. J. Joubert Ltée., Halls Ltd., Toronto; Borden's Niagara Dairies, Ltd., Niagara Falls, Ont.

Capitalization—

	Authorized	Issued
Com., n.p.v. ...	500,000 shs.	492,421 sh.

All owned by parent company except directors' qualifying shares.

Head Office—Toronto.

Officers and Directors—
Directors — J. W. McConnell, chm.; S. J. Moore, pres.; G. M. Waugh, Jr., vice-pres.; Hon. C. C. Ballantyne, Gordon C. Edwards, P. D. Fox, Sir Charles Gordon, A. W. Milburn, Maj.-Gen. Hon. S. C. Mewburn, T. G. Montague, Britton Osler, Hon. Donat Raymond, Hiram D. Walker, R. D. Ward, Treas. — E. L. Noetzel. Sec. — W. H. Rebman. Asst. treas.—Geo. Bittner, H. K. Kramer, F. W. Schwarz. Asst. sec.—T. D. Waibel.

Alberta Cheese

Output of factory cheese in Alberta during the first eight months of the year was 1,196,568 pounds, as compared with 962,328 pounds in the first eight months of last year, an increase of 24.3 per cent, as reported by the Dominion Bureau of Statistics.

Maple Leaf Milling Company Limited

(A Company incorporated under the Ontario Companies Act) and its wholly owned Subsidiaries

CONSOLIDATED BALANCE SHEET as at 31st July, 1937

(after giving effect to the redemption of the balance of outstanding 6% bonds of Hedley Shaw Milling Company, Limited in September, 1937)

ASSETS

Cash on hand and in banks			$ 37,978.51
Accounts and Bills Receivable:			
Trade		$ 996,752.70	
Controlled companies—current accounts		49,940.60	
		$1,046,693.30	
Less reserve for doubtful accounts		110,675.59	
			936,017.71
Inventories of merchandise and materials as determined by the management on the company's usual basis of valuation, namely:			
Hard wheat and hard wheat flour (both fully hedged) at not more than market value of wheat and cost of milling		$2,106,705.40	
Coarse grains, cereals, feeds, bags and other products and materials, at the lower of cost or market value		694,243.33	
			2,800,948.73
Advances to controlled companies, less reserve			126,066.07
Investments in shares of controlled companies (less amounts written off)....		$1,743,661.11	
Other investments, mortgages, exchange seats and properties acquired held for sale, less reserve		210,865.40	
			1,954,526.51
Fixed assets, at appraised depreciated values as appraised by Canadian Appraisal Company Limited as of 15th June, 1929, plus additions at cost:			
Real estate, plant and equipment		$6,339,743.40	
Less reserve for depreciation		1,277,684.72	
		$5,062,058.68	
Leases and contracts:			
Balance at 31st July, 1936	$1,094,699.25		
Less transfers of $128,949.25 depreciation previously provided thereon and $240,750 from reserve for contingencies	369,699.25		
		725,000.00	
		$5,787,058.68	
Automobiles, at cost, less depreciation		58,343.51	
			5,845,402.19
Inventories of repair parts, less reserve		$ 59,192.74	
Deferred operating expenses		35,887.14	
			95,079.88
Trade marks and goodwill			300,000.00
Contingent liability: Guarantee of quarterly dividends on preferred shares of Eastern Bakeries Limited to 15th January, 1944, not exceeding $13,000 per annum.			
			$12,096,019.60

LIABILITIES

Current bankers' advances (secured)		$3,428,494.96	
Bills receivable under discount		185,369.30	
Accounts and wages payable and accrued charges		401,945.95	
			$ 4,015,810.21
*Deferred bankers' advances (secured)			1,966,300.00
*First mortgage 5½% bonds due 1949		$5,000,000.00	
Deduct redemptions		379,500.00	
		$4,620,500.00	
Bond interest accrued		42,354.58	
			4,662,854.58
The Campbell Flour Mills Company Limited 5½% first mortgage bonds due 1949	$1,100,000.00		
Hedley Shaw Milling Company Limited 5½% general mortgage bonds due 1949	750,000.00		
(Pledged to secure the above $5,000,000 first mortgage bond issue)			
*Note: Under agreements with bankers and the trustee for the bondholders, a portion of the interest on the bonds and deferred bankers' advances up to 1st December, 1938, is to be settled by the issue of Class "A" shares.			
Capital—			
Authorized— 100,000 Class "A" participating preferred shares of no par value redeemable at $17.50 per share and entitled to a dividend of 70c per share per annum cumulative after 1st December, 1938. 300,000 common shares of no par value. 3 management shares of no par value.			
Issued—			
73,246 Class "A" shares at $14 per share		$1,025,444.00	
250,100 common shares at $1 per share		250,100.00	
3 management shares at $1 per share		3.00	
Accrued provision for the issue of Class "A" shares to bankers on 1st December, 1937		14,793.28	
		$1,290,340.28	
Less stated value of shares held by subsidiaries		20,459.80	
			1,269,880.48
Surplus, including surplus arising from reduction of capital, less amounts written off assets, etc.			181,174.33
			$12,096,019.60

AUDITORS' REPORT TO THE SHAREHOLDERS

We have made an examination of the foregoing consolidated balance sheet of Maple Leaf Milling Company, Limited, and its subsidiaries as at 31st July, 1937, and of the accompanying consolidated statements of profit and loss and surplus for the year ending on that date. In connection therewith we examined or tested the accounting records of the company and its subsidiaries and obtained all the information and explanations we required from its officers and employees; we also made a general review of the accounting methods and of the operating and income accounts for the year and made tests of the year's transactions.

We report that, subject to the values at which fixed assets and investments are stated and to the adequacy of the reserve for depreciation, in our opinion based upon our examination the accompanying consolidated balance sheet and related statements of profit and loss and surplus have been drawn up in accordance with accepted principles of accounting so as to exhibit a true and correct view of the state of the companies' affairs as at 31st July, 1937, and of the results of their operations for the year, according to the best of our information and the explanations given us, and as shown by the books of the companies.

Toronto, Canada,
24th September, 1937.

CLARKSON, GORDON, DILWORTH & NASH,
Chartered Accountants.

Consolidated Surplus Account for the Year Ended 31st July, 1937

Balance 31st July, 1936		$175,895.20
Add: Profit for year (as above)	$ 14,856.62	
Recovery from sale of collateral security, etc., given by former officers..	1,475.00	
Sale of shares held by subsidiary	58,772.99	
		75,104.61
		$250,999.81
Less loss on sale or abandonment of land, buildings, plant, etc., and loss of the S.S. Benmaple		69,825.48
Balance 31st July, 1937		$181,174.33

A Canadian Enterprise

Grown to International Magnitude

Weston's make quality biscuits in Canada, Scotland, Ireland, England and the United States. In that statement is encompassed an epic story of Canadian achievement.

For George Weston, Limited, thoroughly Canadian in origin, in development, in direction, has become one of the world's greatest biscuit making enterprises.

This growth is based on the determination of Weston's to make biscuits of the highest possible quality.

The growth itself is evidence of the successful pursuit of this determination.

Weston quality is today successfully competing against the best products of domestic manufacturers in the British Isles and in the United States. In Canada Weston dominates the quality biscuit market.

GEORGE
Weston
LIMITED

MAKERS OF ENGLISH QUALITY BISCUITS

Toronto, Brantford, Battle Creek, Mich., Calgary, Passaic, N.J.

Maple Leaf Milling

Net Profit Shown in Latest Year But Outlook Suggests Further Debt Adjustments May Be Necessary

Maple Leaf Milling Co. has reported a small net profit for the year ended July 31. D. Campbell MacLachlan, president, states that this improvement is due largely to particularly favorable marketing conditions for by-products. He comments that the company has started its new year under difficult conditions. Due to premium on prices for Canadian wheat he suggests there may be a loss of export business.

The company manufactures and distributes flour, cereals, stock and poultry feeds, and through subsidiaries has a large interest in bakeries. Marked improvement has been shown in results of two of the subsidiaries, Canada Bread Co. and Eastern Bakeries Ltd., covering territory in the Maritimes and central Canada respectively. Canadian Bakeries Ltd., operating from Saskatchewan westward to Vancouver and Victoria, has not had as favorable results.

Financial Situation

The company has been operating on a five-year reorganization scheme adopted in 1933 under which half the bond interest is payable in cash and half by issue of class A preferred. All bond interest becomes payable in cash, and dividends of 70 cents a share annually accrue on the class A stock from Dec. 1, 1938.

As part of the reorganization plan the company has deferred bank loans of $2 millions but even so there is a slight excess of current liabilities over current assets. The working capital position and the accruals that will start in 1938 are expected to lead to further adjustment of debt obligations. The outlook does not suggest that the company is in a position to deal with the full obligations.

Volume of flour production in the past year was somewhat reduced, due to further loss of export markets, especially New Zealand. Recent Government reports show a reduction in Canadian flour exports, which is indicative of the company's position.

Capitalization—

	Authorized	Issued
Cl. A pfd., n.p.v.	100,000 sh.	73,246 sh.
Com., n.p.v......	300,000 sh.	250,100 sh.
Management shs.	3 sh.	3 sh.

Funded Debt—
First mortgage bonds 5½%, due 1949, outstanding $4,620,500.

Dividend Record—
None paid on new stock.
Class A—Entitled to 70 cents a share annually, cumulative after Dec. 1, 1938, also entitled to participate equally, share-for-share, in any further dividends.
Class B—Participates equally share-for-share, after 70 cents paid on Class A in any year.

Subsidiaries—
Canada Bread Co., Ltd.
Canadian Bakeries, Ltd.
Dominion Bakeries, Ltd.
Hedley Shaw Milling Co., Ltd.
The Campbell Flour Mills Co., Ltd.
Eastern Bakeries, Ltd.
Port Colborne and St. Lawrence Navigation Co., Ltd.

Head Office—68 Yonge St., Toronto.

Officers and Directors—
Officers — D. Campbell MacLachlan, pres. and gen. mgr.; C. W. Band, vice-pres.; G. H. Hand, sec.
Directors—Everett Bristol, C. W. Band, R. S. Waldie, J. L. Henderson, A. C. Matthews, D. Campbell MacLachlan, Toronto; E. R. Decary, Montreal; E. E. Buckerfield, Vancouver; H. E. Sellers, Winnipeg.

Times Bond Interest Earned—

Year end. July 31:	1937	1936	1935
Before deprec....	1.61	1.30	0.55
After deprec......	1.09	0.81	0.08

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1931	741,571	......	639,677
1932	265,863	......	409,090
1933	312,930	......	229,468
1934	369,949	......	691,350
1935	193,886	......	298,952
1936	458,807	......	175,895
1937	562,448	......	181,174

Market Record—

	*1937 H	*1937 L	1936 H	1936 L	1935 H	1935 L
Cl. A:						
Pref.	12¾	3¾	12⅝	2	5	1
Com.	11	2½	7½	1	1.65	40

*To Oct. 14.

Dom. Bakeries

Dominion Bakeries Ltd. owns 13 bakeries in Ontario. The company's revenues consisting of rentals from bakeries have resulted in losses, after necessary expenses and depreciation charges. There is a deficiency of working capital, most of current liabilities being debts payable to Maple Leaf Milling Co., which owns the majority of the second preferred and common shares.

Prospects for the first preference shares appear distinctly unfavorable, because in liquidation proceeds from assets would first have to be applied to payment of the current debt. There are no prospects of dividends on the first preferred and it is questionable what amount would be realized for shareholders if the properties were sold.

Capitalization—

	Authorized	Outstanding
1st pref., 6½% ..	$2,000,000	$725,000
2nd pref., 6½% .	250,000	210,000
Com., n.p.v.	100,000 shs.	25,007 shs.

A majority of second preferred and common stock owned by the Maple Leaf Milling Co.

Funded Debt—
None.

Dividend Record—
1st and 2nd preferred—Entitled to 6½% cumulative, payable Mar., June, Sept. and Dec. 1; 1st preferred paid regularly from Dec. 1, 1928 to Sept. 1, 1930, none since; 2nd preferred, cumulative from Mar. 1, 1930, none paid.
Common—None paid.

Head Office—Toronto.

Officers and Directors—
Officers — D. C. MacLachlan, pres.; G. A. Scrimger, sec.-treas.
Directors—G. A. Mackey, C. W. Band, D. C. MacLachlan, C. S. Band, J. L. Henderson, G. H Hand, Toronto; A. F. Culver, Montreal.

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1930	31,842	47,125	5,795
1931	*57,375	......	†110,822
1932	*91,740	......	†300,971
1933	*12,918	......	†673,414
1934	9,351	......	†658,340
1935	7,594	......	†675,530
1936	2,568	......	†697,919

*Loss. †Deficit

Earnings per Share and Dividend Record—

	1936	1935	1934
1st pref.: Earned	d$3.09	d$2.37	d$4.17
Paid	nil	nil	nil
*2nd pref.: Earned	d33.10	d30.63	d36.83
None paid.			
†Common: Earned	d3.73	d3.12	d3.64
None paid.			

*Cumulative from March 1, 1930. Earnings calculated after providing for full year's dividend on the first preferred stock. †Calculated as if full year's dividends had been paid on second preferred stock.

Canada Bread

Improvement of Past Three Years Permits Debt and Arrears Payments

Canada Bread Co. has shown steady improvement in the past three years. Working capital has been maintained while funded debt has been reduced. Rising earnings have permitted two payments this year on arrears of dividends on the class B preferred.

The company, under present management, plans to pay off major portions of the remaining 6% bonds by maturity. Also in 1941, the dividend rate on first preferred rises from 5% to 6%. Meanwhile, regular dividends are being maintained on the first preferred and on class B preferred. Arrears on the B stock amount to $2.37½ a share, or slightly less than one year's full dividend of $2.50 a share.

Unusual participation provisions in the class B shares, affecting the common, give them interest for the investor. After an initial 10 cents a share on the common, the class B receives eight cents a share for each additional one cent paid on the common. This gives the B stock the dual quality of preferred and common.

Capitalization—

	Authorized	Outstanding
Common (n.p.v.)	200,000 shs.	200,000 shs.
1st pref., 5-6% ..	$1,250,000	$1,250,000
B pref., 5%	1,250,000	1,250,000

Par $100 for 1st preferred while B preferred is of $50 par. Majority of the common stock is held by Maple Leaf Milling Co.

Funded Debt—
6% first mortgage sinking fund bonds, due 1941, outstanding $754,900.

Dividend Record—
1st pref. — Entitled to 5% per annum, cumulative, to July 1, 1941, and thereafter to 6%, cumulative. Dividends accrue from July 1, 1935, payable quarterly Jan., April, July and Oct. 1. Interim dividends of 1% paid Oct. 1, 1935, and Jan. 2, 1936; 1¼% paid Apr. 1, 1936; 1¼% plus ½% covering all arrears, paid July 2, 1936; 1¼% paid Oct. 1, 1936, and regularly since.
Class B pref.—Entitled to 5% per annum, ($2.50 per share) cumulative from July 1, 1935, payable quarterly. Initial dividend of 50 cents paid Oct. 1, 1936; 62½ cents per share paid Jan. 2, 1937, and regularly since, with 12½ cents per share paid on arrears on July 2 and Oct. 1, 1937; in arrears $2.37½ per share as at Oct. 1, 1937.
Common—None paid.

Head Office—224 Davenport Rd., Toronto.
Officers—C. H. Carlisle, pres.; C. W. Band, vice-pres.; A. V. Loftus, gen. mgr., W. S. Antliff, asst. gen. mgr. and sec.-treas.; L. F. Enright, asst. sec.-treas.
Directors — ‡C. H. Carlisle, ‡G. C. Leitch, ‡C. W. Band, *A. G. Walwyn, *C. B. Shields, ‡R. S. Waldie, †A. W. Holmested, all of Toronto.

*Representing 1st pref. shareholders.
†Representing class B shareholders.
‡Representing common shareholders.

Earnings per Share and Dividend Record—
Years ended June 30:

	1937	1936	1935
1st pref.: Earn. ..	$14.95	$13.08	$4.47
Paid	5.00	5.00	nil
B pref.: Earn.* ..	4.98	4.04	nil
Earned†	3.30	2.90	....
Paid	2.50	nil	nil
Com.: Earned† ..	0.20	0.15	d1.03

*Before (†after) taking into consideration participating features of the stock.

Times Bond Interest Earned:

	1937	1936	1935
Before deprec.	9.41	8.00	6.01
After deprec.	6.16	4.57	2.28

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1931	449,107	387,500	1,700,570
1932	504,691	125,000	1,720,059
1933	305,563	100,000	1,576,724
1934	304,276	......	1,559,295
1935	349,213	......	1,615,190
1936	460,591	62,500	75,580
1937	477,189	125,000	130,171

Market Record—

	*1937 H	*1937 L	1936 H	1936 L	1935 H	1935 L
Com. ..	10¼	4½	8⅞	4¼	6½	2
Pref. A	103½	99⅞	104⅛	90	95	63
Pref. B	59½	47	51	30	38	17

*To Oct. 13.

That one must eat to live is illustrated by the manner in which relative stability in food businesses has for the past six years kept the average price of stocks in food firms above the general level of Canadian stocks. In the recent decline, food shares have been less vulnerable than stocks of companies with wider fluctuations in business volume.

International Milling

Diversity of Products and Territories Contributes to Stability of Earnings and Coverage for Dividends

International Milling Co. is understood to have had satisfactory earnings in the year ended Aug. 31, and to have covered the 5% first preferred dividends by the usual wide margin.

The company has considerable diversity in its business in flour, oatmeal, rolled oats, corn meal and feeds. The business has been largely domestic to Canada and the United States but under favorable conditions there is considerable export business with the United Kingdom, West Indies and other countries. The Canadian business is operated by Robin Hood Mills Ltd., the entire capital stock being owned by International Milling.

The company operates mills at Calgary, Moose Jaw and Saskatoon in Canada, and at New Prague, Minn.; Davenport and Sioux City, Iowa; Greenville, Texas; and at Buffalo, N.Y. Being engaged in the business in both Canada and the United States, it is not as much affected by the current export conditions for Canada. Diversity of operations in the two countries accounts to a considerable extent for stability of earnings and consistent coverage of dividends on the preferred.

Capitalization—

	Authorized	Outstanding
1st pref., 5% ...	$6,000,000	$4,471,700
2nd pref.	1,000,000	nil
Par $100.		
Common, n.p.v.	150,000 shs.	96,396 shs.

Funded Debt—
None.

Dividend Record—
First pref. (original series)—5% per annum, cumulative from Oct. 15, 1935, payable quarterly, Jan., April, July and Oct. 15. Initial dividend of $1.25 paid Jan. 15, 1936, regular payments since.
Common — Paid annually in December: $5 per share paid Dec., 1930 and 1931; $4 1932; $4.25 1933; $5 1934. In 1936, company paid dividend in common stock of Robin Hood Mills Ltd., with book value of $882,628.

Subsidiaries—
Robin Hood Mills Ltd.—Entirely owned subsidiary. Mills located at Calgary, Moose Jaw and Saskatoon.
Lake and Rail Warehouse and Elevator Corp.

Head Office—Flour Exchange Bldg., Minneapolis, Minn.

Officers and Directors—
Officers—W. L. Harvey, pres.; F. A. Bean vice-pres. and gen. mgr.; J. R. Morris, vice-pres.; F. V. Spofford, sec.; H. F. Marsh, treas.
Directors—F. A. Bean, W. L. Harvey, H. F. Marsh, J. R. Morris, F. V. Spofford, all of Minneapolis, Minn.; J. J. Kovarik, Buffalo, N.Y.; C. Ritz, Montreal.

Earnings per Share and Dividend Record—

Year end. Aug. 31:	1936	1935	1934
Earned:			
5% 1st pref, new	$30.34	$28.81	....
7% & 6% pref., old	....	30.72	$34.23
Common†	12.04	10.71	11.66
Paid:			
5% 1st pref., new	‡4.37½	nil	....
7% pref., old	....	7.00	7.00
6% pref., old	....	6.00	6.00
Common	....	5.00	4.25

‡Covering period from Oct. 15, 1935 to Aug. 31, 1936.
†Based on shares outstanding; common earnings in 1935 under old capitalization would have been $10.18 per share.

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1930	1,463,694	828,329	6,398,295
1931	1,307,314	807,093	6,917,478
1932	1,125,576	796,810	6,824,059
1933	1,169,095	683,143	7,450,108
1934	1,444,254	703,388	†8,218,290
1935	1,296,471	778,506	6,414,586
1936	1,356,709	1,079,110	6,676,327

†Of which $2,363,835 is capital surplus.

Market Record—

	*1937 H	*1937 L	1936 H	1936 L	1935 H	1935 L
1st pref.	105	97	105¾	101	105½	99

*To Oct. 14.

Holsum Packing

Holsum Packing Co., Victoria, B.C., manufactures jams, jellies, pickles, sauces and canned fruits and vegetables.

Capitalization—

	Authorized	Issued
Pref., par $10	$50,000	$18,680
Common, par $1 .	50,000	23,269

Dividend Record—
Preferred — Entitled to 7% cumulative, payable June and Dec. 15; in arrears $7,192 as at Apr. 30, 1935.

Officers and Directors—
W. O. Wallace, pres.; A. H. Alexander, mgr.; J. E. Sladen, sec.; L. Batchelor, R. R. Taylor, W. Barrowclough, H. C. Oldfield.

Head Office—Victoria, B.C.

Can. Bakeries

Small Earnings Do Not Permit Dividends on First Preference Stock

Forthcoming report of Canadian Bakeries Ltd. may show a small net profit after all charges, but is not expected to permit dividends on the first preferred, which are in arrears $43.50 a share. Controlled by Maple Leaf Milling Co., the company operates bakeries in Saskatchewan, Alberta and British Columbia and competition has been particularly keen in some of its markets.

The company's earnings are affected by general conditions prevailing in western territories as to both public income and competition in its business. While in recent years there has been some improvement in income, competition has continued intensive and costs of materials have advanced.

Capitalization—

	Authorized	Outstanding
1st pref. 7% cum..	$1,000,000	$ 913,000
2nd pref. 7% cum.	1,000,000	1,000,000
Par $100.		
Common A	20,000 shs.	20,000 shs.
Common B*	20,000 shs.	nil
No par value.		

*Authorized for conversion of 2nd pref.

Funded Debt—
6½% first mortgage sinking fund bonds, due 1945, outstanding $624,900.

Dividend Record—
First and second preferred—Entitled to 7% cumulative, payable 15th Mar., June, Sept. and Dec. First preferred paid regularly from 1925 to Mar., 1931; reduced to $4 with payment of $1 June 15, 1931; passed Dec. 15, 1931; none since. Second preferred paid regularly to Sept. 15, 1930; none since.
Common—None paid.

Head Office—Calgary.

Officers and Directors—
R. W. Ward, pres., Calgary; D. C. MacLachlan, vice-pres., Toronto; D. A. Ross, sec.-treas., Calgary; John Burns, Calgary; F. J. Coombs, R. S. Waldie, C. W. Band, Toronto; E. E. Buckerfield, Vancouver; H. M. E. Evans, Edmonton.

Times Bond Interest Earned—

Year end. Aug. 31:	1936	1935	1934
Before deprec.	$2.48	$1.77	$0.72
After deprec.	0.85	0.47	....

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1930	192,934	137,025	74,422
1931	116,524	52,050	822
1932	59,647	......	10,260
1933	42,238	......	*28,396
1934	30,867	......	*101,064
1935	74,669	......	*187,873
1936	102,568	......	*196,932

*Deficit.

Market Record—

	*1937 H	*1937 L	1936 H	1936 L	1935 H	1935 L
Class A	6⅛	4	4	2	2⅜	1
1st pref	73	49	61	40	43	13

*To Oct. 12.

Eastern Bakeries

Eastern Bakeries Ltd. operates in the Maritime Provinces, and is understood to have improved its earnings substantially in the past year. Preferred dividends of 3¼% are guaranteed by the parent firm, Maple Leaf Milling Co.

The Eastern Bakeries chain operates in Saint John, Moncton, Fredericton and Campbellton, N.B. and Sydney, N.S.

Eastern Bakeries
(Controlled by Maple Leaf Milling Co.)

Capitalization—

	Authorized	Outstanding
Pref., par $100..	$500,000	$500,000
Com., n.p.v.....	30,000 shs.	30,000 shs.

1,000 pref. shs. and 25,100 com. shs. owned by Maple Leaf Milling Co.

Head Office—Saint John, N.B.

Officers and Directors—
Officers—T. Moffett Bell, pres.

Dividend Record—
Preferred—Entitled to 6½% per annum, payable Jan., Apr., July and Oct. 15; dividend of 3¼% per annum guaranteed from Oct. 15, 1934 to Jan. 15, 1944, by Maple Leaf Milling Co., payments at the rate of 3¼% per annum made to date.

at YOUR service

Increasing thousands of discriminating buyers of good foods know that high quality of merchandise and service as well as economy of purchase are constantly assured by Dominion Stores, Limited.

Both outside and inside, there is that atmosphere about the hundreds of conveniently situated units which in this modern day betoken crisp cleanliness and efficiency of service.

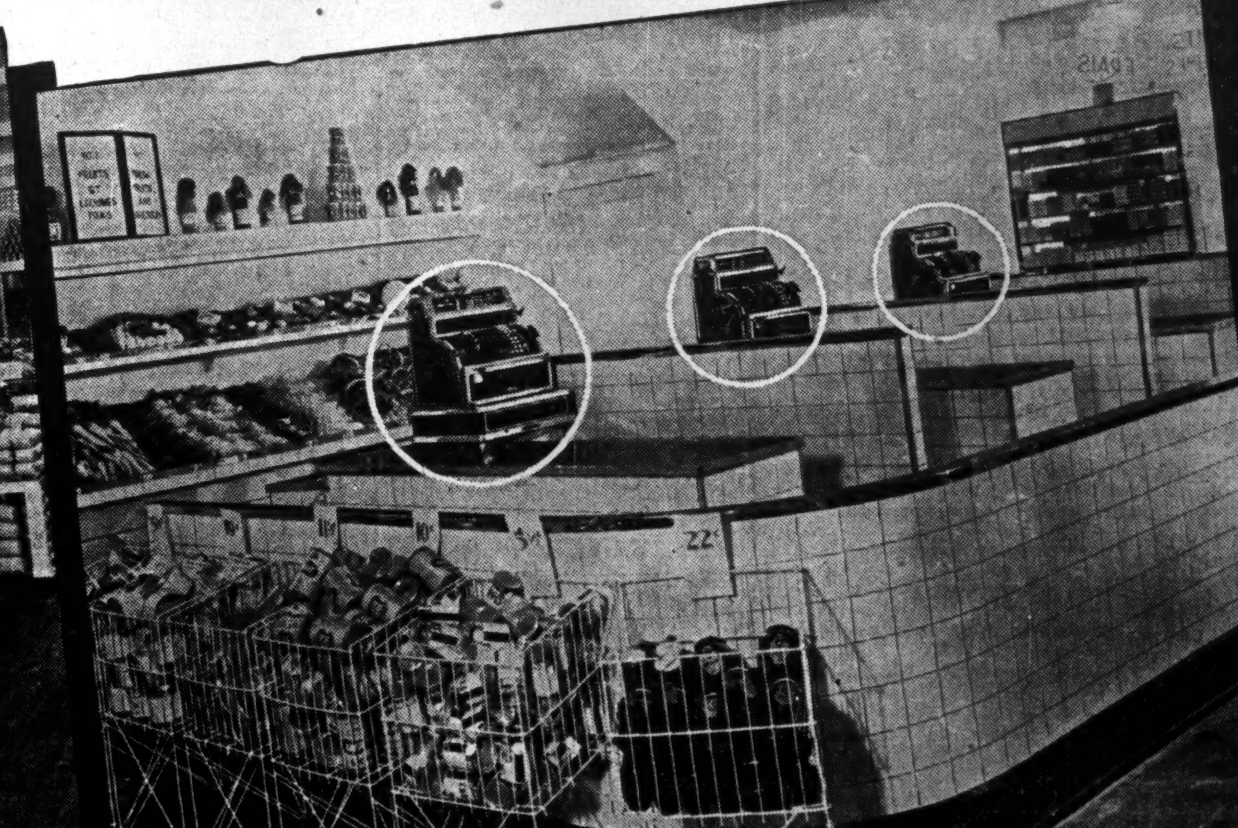
Dominion Stores, Limited, has earned the patronage of wise food buyers on its merchandising merits. Moreover, it occupies an important place in other respects in the national economic life.

Its many hundreds of employees in stores and warehouses draw annually a payroll in excess of $2,000,000, all of which is ploughed back into Canadian trade. Many millions of dollars' worth of Canadian agricultural, dairy and manufactured food products are marketed annually through Dominion Stores — swelling the prosperity of hundreds of Canadian factories and countless Canadian farms.

Dominion Stores, Limited, is a self-contained organization unassociated with any other chain or group.

DOMINION
STORES LIMITED
"For Fresh Foods"

Quebec store joins army of satisfied NATIONAL USERS



In the new Groceteria of A. L. Raymond in Hull, Quebec, the new National Check-Out System has been adopted because it is recognized to be the fastest and most dependable system yet devised for self service markets.
Three single drawer Itemized Receipt-printing National Cash Registers efficiently handle Mr. Raymond's large clientele and provide the management with complete details of sales by departments as well as absolute control over all money and records.

There is a National Cash Register System designed to benefit your store. Our representative will gladly show you the advantages of these up-to-date systems.

THE National Cash Register Company
OF CANADA LIMITED
Head Office and Factory: TORONTO
Sales Offices in all Principal Cities
CASH REGISTERS • TYPEWRITING-BOOKKEEPING MACHINES • ANALYSIS MACHINES • BANK-BOOKKEEPING MACHINES • CHECK-WRITING AND SIGNING MACHINES • POSTAGE METER MACHINES • CORRECT POSTURE CHAIRS

Lake of Woods

Moderate Decline in Earnings in Past Year — Preferred Dividend Well Covered: May Pay Off More of Arrears

MONTREAL.—Due to disappointing export business in volume and price and instability of prices in the domestic market, earnings of Lake of the Woods Milling Co. declined somewhat in the year ended Aug. 31, 1937. Net profit for the year, after making provision for a full year's dividend on the preferred, was equivalent to $1.38 a share on the common stock, compared with $2.32 a share in the previous year.

While net operating profit was lower, income from other sources showed an increase. Provision for depreciation was reduced by $35,000 to $150,000.

Working Capital Up

The working capital position of the company continues to improve, current assets exceeding current liabilities by $817,000. Inventories show an increase of $466,000 to $3.5 millions. Bank loans at $2.9 millions are $337,000 higher.

Referring to the increase in bank loans, Gen. F. S. Meighen, president, states that this is due to the much higher price prevailing for wheat during the year and to the necessity of carrying over a large stock of milling wheat in view of the short crop in western Canada.

The president also reports that domestic sales have been maintained and that Inter City Baking Co. is in a strong condition in every respect.

Income and Surplus Account
Years Ended August 31

	1937 $	1936 $
Net oper. profit	738,706	930,418
Add: Divds. from subs.	23,834	11,917
Inc. from invests. ..	1,879	3,880
Adjust re prior yrs.	20,000	......
	784,419	946,215
Less: Directors' fees ..	3,790	3,920
Executive salaries ..	55,333	54,587
Legal fees	1,317	1,506
Net earnings	723,979	886,202
Less: Interest	195,913	165,534
Depreciation	150,000	185,000
Income tax	49,377	88,000
Net profit	328,689	447,667
Less: Pref. divds.	*315,000	105,000
Surplus for year	13,689	342,667
Add: Prev. surplus ..	1,972,949	1,630,282
Balance forward	1,986,638	1,972,949

*Three years' dividends.

Working Capital

	1937 $	1936 $
Current assets	4,271,301	3,856,381
Current liabilities	3,454,070	3,141,529
Working capital	817,231	714,852

Capitalization— Authorized Outstanding
Pref. 7% cum. ... $1,500,000 $1,500,000
Par $100. Non-redeemable.
Com., n.p.v. ... 200,000 shs. 147,689 shs.

Funded Debt—
1st mtge. bonds, 6%, due 1941, outstanding, †$4,000,000.
†Held by banks as collateral for loans.

Dividend Record—
Preferred—7% cumulative, payable quarterly Mar., June, Sept. and Dec. 1. Paid regularly from incorporation in 1903 to Sept 1, 1931; passed Dec. 1, 1931; regular payments resumed Dec. 16, 1935. $14 a share paid on arrears Dec. 1, 1936, following which arrears amounted to $14.
Common — None at present. Formerly $3.20 per annum. Dividends were paid each year from 1904 to Dec. 1, 1930; none since.

Subsidiaries—(Wholly-owned):
Keewatin Flour Mills Co.
Medicine Hat Milling Co.
Sunset Manufacturing Co.—Winnipeg.
Dominion Flour Mills Co.—Montreal and Brantford.

Inter City Baking Co., Ltd.
Inter City Western Bakeries, Ltd.
Head Office—St. Sacrament St., Montreal.
Officers and Directors—
Officers—Col. Frank S. Meighen, pres. and man. dir.; Hugh MacKay, vice-pres.; C. H. G. Short, gen. mgr.; D. A. MacInnes, sec.; R. R. Hutchinson, treas.
Directors—Col. Frank S. Meighen, R. W. Reford, Walter Molson, Hugh MacKay, Rt. Hon. Lord Shaughnessy, P. F. Sise, J. W. Pyke, C. H. G. Short, Montreal; N. J. Breen, I. Pitblado, G. W. Allan, Winnipeg; J. W. Hobbs, Toronto.

Earnings per Share and Dividend Record—

Years end. Aug. 31:	1937	1936	1935
Pref.: Earned ...	$20.58	$29.84	$21.50
Paid	7.00	7.00	nil
Com.: Earned* ..	1.38	2.32	1.47
None paid.			

*After allowing for full year's preferred dividend but before deducting preferred arrears.

Seven Years Earnings—

Year	*Earnings $	Dividends $	Surplus $
1931	†935,468	223,151	536,353
1932	511,726	......	604,888
1933	636,438	......	905,586
1934	803,261	......	1,307,957
1935	703,708	......	1,630,282
1936	798,201	105,000	1,972,949
1937	654,608	105,000	1,986,638

†Deficit. *After deduction of all operating expenses, provision for doubtful accounts and income tax.

Market Record—

	*1937 H	L	1936 H	L	1935 H	L
Com. ..	43½	16¼	46	16½	18⅛	7
Pref. ..	156	143	170	123	125	80

*To Oct. 14.

Canada Starch

Par Value of Common Reduced and Stock Split — Write Down Goodwill

Canada Starch Co. is a consolidation of Edwardsburg Starch Co., Brantford Starch Works and plant and trademark of Imperial Starch Co. It has plants at Cardinal and Fort William, Ont., while the head office is in Montreal.

The company does not publish a financial statement and details of earnings are not available. However, dividends on the preferred are being paid regularly.

Early this year the par value of the company's common stock was reduced and five new common shares issued for each old common share held. The voting power of the preferred was increased from one to five votes per share. The surplus of $889,875 created by the reduction in the par value of the common was used to write down goodwill from $1,186,500 to $296,625.

Capitalization— Authorized Outstanding
Pref. 7% $3,250,000 $3,069,100
Common 1,250,000 1,186,500
Par $100.

Dividend Record—
Preferred—7% non-cumulative, payable Feb. and Aug. 15; paid 1907 to 1921 inclusive, none till Feb., 1928, regularly since.
Common — Initial dividend of $6 paid June 15, 1937.

Head Office—Montreal.
Officers and Directors—
Officers—G. F. Benson, pres.; J. J. Warren, 1st vice-pres.; W. B. Blackader, 2nd vice-pres.; B. S. R. Watson, sec.-treas.
Directors—G. F. Benson, W. B. Blackader, Hugh MacKay, G. F. Benson, Jr., J. H. Hunter, E. B. Hosmer, B. S. R. Watson, Montreal; J. J. Warren, A. C. Matthews, Toronto.

Inter-City Baking

Operating results of Inter-City Baking Co., subsidiary of Lake of the Woods Milling Co., during the current year to date have shown little change from last year when net profit of $79,366 was shown, compared with $63,714 in the previous year. However, costs have increased somewhat, especially in Toronto, where it has been necessary to increase wages.

Volume of business has been well maintained and working capital is stated to be ample for the company's requirements. The retirement of $200,000 of its first mortgage bonds last year reduces interest requirements by $11,000 and improves the position of shareholders.

Last year the company paid $2 a share on its common and $1 a share has been paid in the current year to date.

Capitalization— Authorized Outstanding
Com., par $100 .. $4,000,000 $2,114,500

Funded Debt—
First mortgage, series A, 5½%, due 1948; outstanding, $1,247,500.

Dividend Record—
Common — Interim dividends of $1 per share paid Aug. 1, 1935, and Aug. 1, and Dec. 10, 1936, and July 31, 1937. Former rate 4% per annum, payable annually with initial dividend paid Mar. 11, 1929; placed on semi-annual basis with payment of 2% in August, 1930, and paid up to and including Mar. 23, 1932. None thereafter until Aug. 1, 1935, payment.

Subsidiaries—(Wholly-owned)—
Brown's Bread Ltd. — West Toronto, North Toronto, and Hamilton.
Standard Bread Co., Ltd.—Ottawa.
Standard Bread (Montreal) Ltd.
A. & L. Strachan Ltd.—Montreal.

Head Office—460 St. John St., Montreal.
Officers and Directors—
Officers — Col. F. S. Meighen, pres.; J. W. Pyke, vice-pres.; C. H. G. Short, gen. mgr.; R. R. Hutchinson, sec.-treas.; D. A. MacInnes, asst. sec.-treas.
Directors—Col. F. S. Meighen, Hugh MacKay, C. H. G. Short, D. A. MacInnes, R. W. Reford, J. W. Pyke, Montreal; R. G. Cowan, Toronto; C. W. Cotter, Ottawa.

Times Interest Earned—

Year end. Jan. 31:	1937	1936	1935
Before deprec. ...	3.21	3.04	2.90
After deprec.	1.83	1.79	1.68

Earnings per Share and Dividend Record—

	1937	1936	1935
Com.: Earned	$3.56	$3.01	$2.66
Paid	2.00	1.00	nil

Seven Years Earnings—
Year end. Jan. 31:

Year	*Earnings $	Dividends $	Surplus $
1931	316,254	85,180	122,429
1932	331,643	85,180	125,212
1933	210,331	......	105,260
1934	216,472	......	137,782
1935	232,729	......	197,732
1936	235,219	21,145	240,301
1937	232,787	42,290	277,377

*After deducting all expenses of operations and income tax.

Market Record—

	*1937 H	L	1936 H	L	1935 H	L
Common	39½	30	41	19	20½	17

*To Oct. 14.

St. Lawrence

Earnings Slightly Higher in Year Ended Aug. 31

Earnings of St. Lawrence Flour Mills showed moderate improvement in the year ended Aug. 31, 1937. Net profit was equivalent to $2 a share on the common stock, as compared with $1.87 a share in the previous year. Working capital amounted to $517,321 as compared with $443,918 in the previous year. The balance sheet shows inventories to have increased from $354,803 to $834,666, but this was largely offset by an advance of $420,000 in bank loans which now total $470,000. Accounts receivable show a moderate increase while surplus rose during the year from $466,504 to $505,555.

A special meeting of shareholders has been called to consider reduction of the item "goodwill" from $930,224 to a nominal value. It is planned to charge the reduction against the book value of the no par value common stock which at the present time is carried in the balance sheet at $1.2 million.

Capitalization— Authorized Outstanding
Pref., par $100 .. $600,000 $575,000
Com., n.p.v. .... 50,000 shs. 36,000 shs.

Changes in Capital Stock—
Dec. 29, 1936, shareholders approved the following changes: reduction in par value of common stock from $100 to none, exchange of three new shares for one old; increase in authorized number of common shares from 12,000 to 50,000; elimination of item for special account, property, goodwell, etc., appearing in balance sheet at $930,224.

Funded Debt—
None.

Dividend Record—
Preferred — 7% per annum, cumulative, payable quarterly, Feb., May, Aug. and Nov. 1. Paid regularly.
Common (new)—Initial dividend of 25c. paid May 1, 1937; and at that rate quarterly since. On old common, $1.50 p.a. paid regularly from Nov. 1, 1932; $2 from Nov. 1, 1934 to Nov. 1, 1936; 75c. paid Feb. 1, 1937. Bonus of $1 paid Sept. 1, 1936.

Head Office — 1110 Notre Dame St. W., Montreal.
Officers and Directors—
Officers — D. A. Campbell, pres.; T. Williamson, vice-pres. and man. dir.; D. M. Wilson, sec.; D. S. Thornton, treas.
Directors—C. E. Gravel, T. Williamson, J. H. Labelle, J. J. McGill, C. H. Branchaud, G. W. Grier, Montreal; D. A. Campbell, Toronto.

Earnings per Share—

	1937	1936	1935
Pref.: Earned	$19.53	$18.73	$13.08
Paid	7.00	7.00	7.00
Com.: Earned ...	*2.00	*1.87	2.91
Paid	0.91⅔	1.00	2.00

*New.

Seven Year's Earnings—

Year	Earnings $	Dividends $	Surplus $
1931	90,286	40,250	*369,846
1932	107,838	40,250	*396,587
1933	115,824	58,250	*404,429
1934	146,136	58,250	427,800
1935	162,064	64,250	437,903
1936	210,628	76,250	466,504
1937	211,711	73,250	505,555

*Subject to income tax in all years except 1934.

Market Record—

	*1937 H	L	1936 H	L	1935 H	L
Com. ..	†26	20	71	40	39½	30
Pref. ..	145	135	140	120	125	113

*To Oct. 14. †New.

W. Canada Flour

Earnings Rise But Outlook Affected Adversely by High Canadian Wheat

Western Canada Flour Mills Co. has just reported improved net profits at $3 a share on preferred in the year ended July 31. Improvement in earnings is reflected in a gain of some $81,000 in working capital. The president, D. B. Hanna, makes no reference in this year's report to dividends on preferred. However, last year he said it would be necessary to increase working capital further before directors can consider the question favorably.

The company's outlook is affected adversely by the relatively high price for Canadian wheat, which is a serious obstacle to export. The company has maintained its domestic volume. The same factor, high prices for Canadian materials, has had adverse effects on the baking division.

This year bank loans were increased to carry larger inventories of wheat because of the reduction in Canadian grain supplies.

A subsidiary, Dominion Salt Co., has operated under unsettled conditions with low prices, but Mr. Hanna says that some stability may be brought about in the near future. Recent management appointments in this division reflect the company's efforts to improve operating results.

Western Canada Flour owns mills at Goderich, Ont., Winnipeg and Brandon, Man., and at Calgary and South Edmonton, Alta. It also has country elevators in western Canada which are regarded as favorably located. Its bakery division distributes bread and allied products in Toronto and other large centres.

Capitalization— Authorized Outstanding
Com., n.p.v. ... 150,000 shs. 135,000 shs.
Pref., 6½% cum. $3,000,000 $2,413,000
$100 par.

Funded Debt—
None.

Dividend Record—
Preferred—None at present. Entitled to 6½% cumulative, payable Mar., June, Sept. and Dec. 15. Initial dividend of $1.62½ per share paid June, 1926, and regularly to and including Dec., 1932; quarterly payments of 75c. paid regularly to Mar., 1935, none since. In arrears $24.12½ per share as at Sept. 1, 1937.
Common—None at present. Dividends paid on common from 1906 to 1931. Rate was $1.40 per annum quarterly from 1926 to Mar. 31, 1931; none since.

Subsidiaries—
(Entire capital stock owned)
The Brackman-Ker Milling Co., Ltd.
Purity Flour Mills, Ltd.
Purity Baking Company, Ltd.
The Dominion Salt Co.

Head Office — 293 Macpherson Ave., Toronto.

Earnings per Share and Dividend Record—

Year end. July 31:	1937	1936	1935
Pref.: Earned ..	$3.01	$1.59	nil
Paid	nil	nil	$1.50
Com.: Earned ..	d0.62	d0.88	d1.55

Officers and Directors—
Officers—D. B. Hanna, pres.; A. J. Mitchell, vice-pres.; R. G. O. Thompson, sec.; J. S. Anderson, treas.; J. J. Page, gen. mgr.; J. W. Horn, asst. gen. mgr.
Directors—D. B. Hanna, A. J. Mitchell, Sir John Aird, R. G. O. Thomson, J. J. Page, J. H. Gundy, Toronto; Senator G. H. Barnard, R. H. B. Ker, Victoria; J. A. Kilpatrick, Montreal; J. Davidson, London, Eng.

Seven Years Earnings—

Year	*Earnings $	Dividends $	Surplus $
1931	175,431	252,249	828,317
1932	136,885	156,845	808,357
1933	114,308	93,504	829,161
1934	147,996	72,390	904,767
1935	†52,356	36,195	816,216
1936	38,401	......	294,616
1937	72,607	......	367,223

*After depreciation, income tax and reserve for doubtful accounts, etc.
†Eleven months ended July 31.

Market Record—

	*1937 H	L	1936 H	L	1935 H	L
Com. ...	12½	4½	12½	4½	7	2¾
Pref. ...	90	40	79	36	57	20

*To Oct. 14.

Blue Ribbon Corp.

All Three Subsidiaries Participate in Improvement of Sales and Earnings

This year Blue Ribbon Corp. has shown substantial improvement in profits, each of the three subsidiaries participating in increased sales volume. The latest report includes earnings of Willard's Chocolates Ltd. that are attributable the shares held by Blue Ribbon Corp.

Blue Ribbon is a holding company whose subsidiaries manufacture and distribute baking powder, spices, jelly powders, extracts and similar specialties. They are also packers of tea, coffee, cocoa and similar lines.

The company has for over five years maintained payments of $2 a share on preferred which calls for cumulative dividends of $3.25 a share annually. Consequently, arrears have accumulated. However, earnings have now risen to a point where they exceed the cumulative rate.

One of the major subsidiaries, Willard's Chocolates Ltd. has $474,000 of 6½% preferred stock of its own outstanding, and arrears have accumulated since March 1, 1935.

In the past there has been some friction over arrangements in connection with the acquisition of Willard's by Blue Ribbon, and in connection with sale of one of Willard's plants in Toronto. The situation now appears to be clarified, however, with the exception of the arrears on Blue Ribbon preferred.

Capitalization— Authorized Outstanding
Pref., par $50 .. $1,500,000 $1,492,500
Com., n.p.v. ... 150,000 shs. 63,475 shs.

Dividend Record—
Preferred—Entitled to 6½% cumulative, payable Feb., May, Aug. and Nov. 1. Paid regularly from Aug., 1930, to Nov., 1931; rate reduced to 4% by payment of 50 cents Feb. 1, 1932; paid regularly at this rate since.
Common—None at present; former rate $2 per share per annum from July, 1930, to Nov., 1931; none since.

Subsidiaries—
Pure Gold Manufacturing Co., Ltd.
Blue Ribbon, Limited.
Willards Chocolates, Ltd.

Head Office—Toronto.
Officers and Directors—
Officers — W. S. Greening, chm. of board; J. M. deC. O'Grady, pres.; C. E. Spooner, vice-pres.; J. C. Jamieson, sec.-treas.; J. Ball and W. K. Fraser, asst. secs.
Directors—W. S. Greening, Lt.-Col. J. F. Michie, C. E. Spooner, A. C. Matthews, J. M. deC. O'Grady, Toronto; J. Ball, William Hood, Winnipeg.

Earn. per Share and Div. Record—

Year end. June 30:	1937	1936	1935
Pref.: Earned	$3.65	$2.22	$1.99
Paid	2.00	2.00	2.00
Com.: Earned	0.19	d0.49	d0.59

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1931	265,929	192,251	†139,993
1932	128,313	149,852	42,341
1933	130,882	57,590	55,261
1934	154,589	58,645	71,875
1935	102,756	59,700	71,678
1936*	168,895	59,700	78,185
1937	209,525	59,700	127,292

†Subject to income tax. *Income and surplus account of Willards Chocolates included.

Market Record—

	*1937 H	L	1936 H	L	1935 H	L
Com. ..	6⅝	4	5	2⅞	4	1¾
Pref. ..	40	24	36	27	29	19

*To Oct. 14.

Barker's Bread

Public investment interest has been created in Barker's Bread Ltd., this year, through an offering of the $50 preferred shares with a bonus of one common with each preferred. Both classes of stock were listed on the Toronto Stock Exchange, May 6.

The company manufactures and distributes in the Toronto area, bread, biscuits, cakes and pastry specialties. While it has been in business over 35 years, its most pronounced progress has been since 1930 during which period sales have been expanded to about six times the 1930 level.

Costs of flour and other materials and labor have risen in the past year but economies and greater sales volume have offset these factors.

Dividends of eight cents a share are being paid on the common at the first of each month, making an annual rate of 96 cents a share, compared with earnings last year of slightly over $1 a share.

Laura Secord

Stabilized Earnings and Dividends Shown for Past Few Years

Laura Secord Candy Shops, Ltd. manufactures and distributes its own brands of chocolate products and confections through a chain of approximately 80 shops in Ontario and Quebec cities. A wholly-owned subsidiary, Mary Louise Candies, Ltd. operates shops selling candy at 40 cents a pound, somewhat lower than the price prevailing in the Laura Secord shops.

The company's fiscal year ends Sept. 30 and the annual report for the past year is not yet available. Earnings have been comparatively stable around $4 a share for a number of years and dividends of $3 a share have been paid regularly. The company obtains approximately $1 a share of its earnings from its holdings of government bonds.

No indication has been given of any intention of increasing the dividend rate although earnings have shown a comfortable margin above the current payments and the company's working capital position is exceptionally strong. Current assets were $1.9 million at Sept. 30, 1936, while current liabilities were only $51,182.

Capitalization— Authorized Outstanding
Common, n.p.v. 57,500 shs. 57,500 shs.

Funded Debt—
None

Dividend Record—
Common — Present rate $3 per annum, payable Mar., June, Sept. and Dec. 1. Initial dividend of 50c. paid Dec., 1928, and regularly to Dec., 1929, when increased to present rate.

Head Office—
60 Bathurst St., Toronto.
Officers and Directors—
Officers—Frank P. O'Connor, pres. and chm. of board; J. D. Hayes, 1st vice-pres. and gen. mgr.; W. J. O'Connor, 2nd vice-pres.; C. P. Moher, 3rd vice-pres.; C. H. Ellston sec.-treas.
Directors—Frank P. O'Connor, J. D. Hayes, C. H. Ellston, C. P. Moher, Toronto; A. A. Audette, Montreal.

Subsidiary—
Mary Louise Candies, Ltd.—Incorporated June, 1933, with a Dominion charter. Authorized capital, 500 shares of no par value. Wholly-owned by parent company.

Earn. per Share and Div. Record—

	1936	1935	1934
Common: Earned	$4.00	$3.95	$3.77
Paid	3.00	3.00	3.00

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1930	*379,754	171,573	788,427
1931	*300,037	172,513	836,744
1932	*281,262	172,500	945,506
1933	*218,037	172,500	987,043
1934	216,687	172,500	1,090,594
1935	226,860	172,500	1,144,954
1936	230,181	172,500	1,202,635

*After all operating expenses and provision for bonus, depreciation, income taxes and in all years except 1931, depreciation in market value of bonds and reserve against investment in associated company.

Market Record—

	*1937 H	L	1936 H	L	1935 H	L
Com. ..	77	60	70	64¾	67	59

*To Oct. 13.

Fanny Farmer

Aggressive Expansion Planned and Profits Up 40% in 1937

Fanny Farmer Candy Shops Inc., was operating 210 retail candy shops in the United States at the end of June of this year. This compares with 195 shops at the end of 1936. Largest concentration of shops is in New York State where 85 are operated and in Massachusetts where there are 35.

A more aggressive expansion programme is planned over the next few years and the six "studios" for candy making may be doubled as new territory is entered.

To the end of Aug., 1937, sales have shown an increase of 17.6[illegible]% over those for the corresponding period of 1936. Profits, however, were up 40.87%.

Earnings for the full year 1937 have been estimated at approximately $2.40 a share compared with actual earnings of $1.50 a share in 1936.

The regular dividend rate is now 25 cents a share each quarter and it is expected that bonuses to be paid for 1937 will bring total payments to $1.75 a share and that a regular rate of $2 a share will be established for 1938.

The company is under similar management to Laura Secord Candy Shops in Canada. In July of this year a private sale was made of Fanny Farmer stock which is understood to have represented liquidation of holdings of the president, Senator Frank P. O'Connor.

Capitalization— Authorized Outstanding
Com., par $1 .. 400,000 shs. *390,468 shs.
*Outstanding in the hands of the public. In addition the company has purchased and registered in its own name, 9,532 shares.

Dividend Record—
Initial dividend of 6¼ cents paid Dec. 31, 1934 and bonus of 6¼ cents per share. In 1935, 43¾c. with a bonus of 6¼c.; 1936, 50c. with extras of 37½c.; 1937, 25c. paid Apr. 1; 25c. July 1; 25c. with an extra of 25c. Oct. 1.

Head Office—Rochester, N.Y.
Officers and Directors—
Officers—F. P. O'Connor, pres. and chm.; J. D. Hayes, 1st vice-pres.; W. J. O'Connor, 2nd vice-pres.; C. P. Moher, 3rd vice-pres.; C. H. Ellston, sec.-treas.
Directors — F. P. O'Connor, J. D. Hayes, Toronto; C. H. Ellston, M. I. Farrell, J. P. Hogan, Rochester.

Earn. per Share and Div. Record—

	1936	1935	1934
Com.: Earned	$1.50	$1.28	†$1.06
Paid	0.87½	0.50	0.12

†Based on net profit and on new shares outstanding at end of year.

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1930	407,809	142,906	1,324,955
1931	278,722	139,146	1,282,344
1932	189,725	86,417	1,326,095
1933	286,256	134,437	890,885
1934	547,879	167,726	568,649
1935	626,078	195,239	874,121
1936	818,494	341,659	1,118,956

Market Record—

	*1937 H	L	1936 H	L	1935 H	L
Common	25½	19	24¾	13¼	13⅞	7⅝

*To Oct. 13.

Muirhead's

Net earnings of Muirhead's Cafeterias Ltd. have been small in the past five years, and after depreciation charges deficits have been shown.

Rapidly increasing costs of foods tend to offset the reduction in the deficit effected in the past year but selling prices have also been advanced. It is hoped by directors that increasing sales will make further improvement possible.

Dividends are in arrears on the preferred, but in view of the small amount involved this is not a serious barrier ahead of the common if the company's results are improved.

The company operates three restaurants in downtown Toronto.

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George Weston Ltd.

Profits Lower in First 6 Months of 1937 Following Small Increase in the Full Year 1936

Net profits of George Weston Ltd. amounted to $165,572 for the six months ended June 30, 1937, after all charges except income taxes. This figure excludes earnings of its subsidiary, McCormick's Ltd. It compares with $215,527 for the corresponding period of 1936.

The reduced earnings are stated to be due to revenue lost because of strikes in the company's American plants. Higher costs of materials and manufacturing also played a part, as difficulty was experienced in adjusting retail prices to correspond with higher costs.

The company increased its operations in 1937 by acquiring control of McCormick's Ltd., also a large producer of biscuits and confectionery of various kinds. As part of this acquisition the company guarantees a total of approximately $1.7 millions in 4½% and 4% bonds of McCormick's Ltd. This places a contingent liability ahead of the preferred and common shares of Geo. Weston Ltd.

After a period of rapidly increasing earnings, Geo. Weston Ltd. has shown a tendency for earnings to become more stabilized. It is probable that the period of rapid growth in earnings is at an end, although, it is still too early to estimate the actual results of the acquisition of McCormick's Ltd. this year.

Capitalization—

	Authorized	Outstanding
Common, n.p.v.	500,000 shs.	*375,882 shs.
Pref., par $100 ..	$1,750,000	$1,750,000

*Increased to 400,882 shares outstanding upon issuance of 25,000 shares in March, 1937, re acquisition of control of McCormick's Ltd.

Funded Debt—
None.

Dividend Record—
Preferred — 5% per annum, cumulative from Feb. 1, 1936, payable quarterly Feb., May, Aug. and Nov. 1. Initial dividend of $1.25 paid May 1, 1936, and regularly since. Dividends on old 7% preferred were paid regularly from May 1, 1928, the date of the initial payment.
Common — Present rate 80c. per share per annum. Increased from 60c. with payment of 20c. July 1, 1936. Paid regularly since with an extra of 10c. paid Jan. 2, 1937. $1 was paid on the old stock before the 2-for-1 split in 1934 and the same rate paid on the new shares to the time of the 2-for-1 split in 1935. Initial payment of 15c. on the present stock made Oct. 1, 1935. Dividends payable quarterly on Jan., Apr., July and Oct. 1.

Subsidiaries—
William Paterson, Ltd. — Brantford, Ont. All common stock held by parent company.
Weston Biscuit Co., Ltd.—Manufactures Weston's biscuits in United States. Controlled through ownership of all but 32 shares common stock.
George Weston Bread & Cakes, Ltd.—Operates under different names throughout Ontario.
Independent Biscuit Co., Ltd. — Manufactures biscuits, etc., in Calgary, Alta., and acts as a sales outlet for George Weston Ltd. Outstanding stock, $150,000 7% first preferred; $57,700 7% second preferred and 5,000 no par value common shares of which $85,700 first preferred, $57,700 second preferred and 4,154 common shares are held directly and indirectly by parent company.
George Weston Biscuit Co. (Battle Creek)—Wholly-owned; operates Battle Creek, Mich., plant.
Lawrence's Bread Ltd.—Wholly-owned; operates plant in east Toronto.
McCormick's Ltd.—Control acquired in March, 1937, by purchase of 70,001 common shares out of 113,600 outstanding.

Head Office—134 Peter St., Toronto.

Officers and Directors—
Officers—J. A. Gairdner, chm. of bd.; W. Garfield Weston, pres. & man. dir.; F. W. St. Lawrence, vice-pres. & gen. mgr. in charge of Canadian operations; R. E. Watson, vice-pres. & gen. mgr. in charge of U. S. operations; R. A. Robertson, sec.-treas.
Directors—J. A. Gairdner, chm., Toronto; W. Garfield Weston, Eastbourne, Eng.; F. W. St. Lawrence, R. A. Robertson, Toronto; R. E. Watson, Passaic, N.J.

Earnings per Share and Dividend Record—

	1936	1935	1934
Pref.: Earned	$28.59	$52.06	$50.46
Paid	5.50	7.00	7.00
Com.: Earned ...	1.11	1.08	2.08
Paid	.75+.10	‡0.80	1.00

‡30c. on new and 50c. on old.

Seven Years Earnings—

Year	Earnings $	*Dividends $	Surplus $
1930	210,431	113,000	262,946
1931	153,963	115,094	282,085
1932	137,322	117,347	285,224
1933	342,175	113,253	652,879
1934	672,871	253,778	874,408
1935	736,992	279,385	1,065,958
1936	821,245	408,783	963,216

*Includes dividends of subsidiaries.

Market Record—

	*1937 H	*1937 L	†1936 H	†1936 L	1935 H	1935 L
Common	18½	11¼	21	13⅛	17	13¾
Pref. ..	106½	90	109½	98	115	108

*To Oct. 12. †New.

McCormick's

Control Now Held by Geo. Weston Ltd. — Profits Gain in First Half of 1937

Early this year, McCormick's Ltd. went through its third reorganization of the past five years. This followed purchase of control of the company by George Weston Ltd. The latter firm owns 70,001 shares of common stock out of the total of 113,600 shares outstanding prior to the latest reorganization.

Holders of both the 5½% prior lien bonds and the 5½% first mortgage bonds of McCormick's Limited received new 4½% and 4% bonds which are guaranteed by George Weston Ltd. An exchange of shares was also offered to holders of the 6% non-cumulative preferred and the common stock. The offer to common shareholders did not apply to shares held by George Weston Ltd. Shareholders have recently been notified that they have until Oct. 30, 1937, to accept one of the alternative exchange offers made under the reorganization.

Exchange of securities under the 1937 plan of reorganization will be made on the following bases:

(1) For each $100 of present 5½% prior lien bonds, the holder will receive $100 of new 4½% guaranteed prior lien sinking fund bonds maturing July 1, 1952, plus $2.50.

(2) For each $100 of present 5½% sinking fund mortgage bonds, the holder will receive $90 of new 4% guaranteed sinking fund mortgage bonds, maturing July 1, 1952, bearing interest from July 1, 1937.

(3) For each $50 of par value of 6% preferred, the holder will receive $25 of new 4% guaranteed mortgage bonds.

(4) The common shareholders, other than George Weston Ltd., will receive the following:

(a) For each five shares now held $25 of new 4% guaranteed mortgage bonds.

(b) For each three shares held, and not provided for under (a), one common share of George Weston Ltd., and

(c) For each share held, and not provided for under (a) or (b), a cash adjustment of $5.

Or, common shareholders may receive the following alternative:

(a) For each three shares held, one common share of George Weston Ltd., and

(b) For each share held, and not provided for under (a), a cash adjustment of $5.

Net profits of McCormick's Ltd. for the period from Jan. 1 to July 17, 1937, after all charges except income tax, were $45,256 against $11,424 for the corresponding period of 1936. A net trading profit of $113,573 was shown in the 1937 period and total income was $116,080.

The company was originally incorporated in 1926 as Canada Biscuit Co., to control the operations of six companies manufacturing and distributing biscuits, confectionery, ice cream cones and allied products throughout Canada and Newfoundland. The name was changed to McCormick's Ltd. in 1935.

Capitalization*—

	Authorized	Outstanding
6% non-cum., pfd. Par $50.	$1,250,000	$895,250
Common, n.p.v.	154,000 shs.	*113,600 shs.

*Including 4,650 shares to be issued for management services.

Funded Debt*—
5½% prior lien bonds, due 1950, outstanding $285,000; 5½% 1st mtge. bonds, due 1950, $895,250. Interest payable May 1 each year, when earned, to Apr. 30, 1940, subject to maintenance of net working capital position of at least $650,000; interest a fixed charge thereafter payable at 5½% (May and Nov. 1).
*Before giving effect to 1937 reorganization, details of security exchange shown above.

Dividend Record—
None paid.

Subsidiaries—(Wholly-owned)—
North West Biscuit Co., Ltd., Edmonton, Alta.—Established in 1913.
D. S. Perrin & Co., Ltd., London, Ont. (Controlled)
McCormick Manufacturing Co., Ltd., London, Ont.—Established in 1856.
Paulin-Chambers Co., Ltd., Winnipeg.—Established in 1876, incorporated in 1899.
J. A. Marven, Ltd., Moncton, N.B.—Established in 1906.
Montreal Biscuit Co., Ltd., Montreal.—Established in 1866.
North West Mill & Feed Co., Ltd., Edmonton.—Formed to produce flour for use in biscuit making.

Head Office—London, Ont.

Officers and Directors—
Officers — F. A. McCormick, chm.; Nathan Cummings, pres.; Ray Lawson, vice-pres.; J. W. Ross, vice-pres. in chge. of production and finances; J. A. Chambers, vice-pres. in chge. of sales; E. G. Brown, sec. and treas.
Directors—F. A. McCormick, N. Cummings, Ray Lawson, of London, Ont.; W. S. Brooke, N. E. Horton, C. Dufresne, W. Howard, A. E. Kyle, of Montreal; A. F. D. Lace, of Toronto.

Times Interest Earned:*

	1936	1935	1934
Prior lien: Before deprec.	9.81	0.66	....
After deprec. ..	4.09	....	....
First mtge.: Before deprec.	*2.80	....	....
After deprec. ..	*0.98	....	....

*After bank interest and carrying charges on non-oper. units. *Amount of interest estimated.

Loblaw Groceterias

New High Level for Dividend Payments Already Assured for 1937 — Internal Expansion Increases Sales and Profits Per Store

Loblaw Groceterias Co. completed the best year in its history in the period ended May 29, 1937. Gross sales rose 17.5% in that year, and net profits increased 20%.

In the current fiscal year sales have increased 15.9%, while profits have risen 7.5% as compared with the corresponding period of 1936. The improvement so far noted in 1937 is hardly as good as that shown in the same period a year ago, but it is still much too soon to form any opinion on results for the year. Dividends already paid or declared indicate a new high level in returns for shareholders in the year ending May 30, 1938.

The company operates a chain of 112 self-serve grocery and provision stores in Ontario. Of these stores, 69 are of the market type, handling meats, fruits and vegetables as well as groceries.

Installation of this type of store has been proceeding rapidly and in the year which ended in May, 1937, 21 stores were converted into the market type. The company has not actually been expanding the number of its store units but this programme of increasing the number of market type of stores has resulted in a sort of internal expansion and higher sales without a corresponding increase in store overhead.

This expansion is illustrated by comparative figures of average sales per store. In the year ended May 29, 1937, average sales per store were $170,876 as compared with $146,779 in the preceding year. Profits per store of $11,132 in 1936-1937 compare with $9,348 in the previous year. This is an exceptionally high average profit for this type of retail unit.

The company is interested in a chain of stores operated by Loblaw Groceterias Inc., in the United States and received its first dividend on the preferred stock of this company in April, 1937.

Capitalization—

	Authorized	Outstanding
Class A	600,000 shs.	445,056 shs.
Class B	600,000 shs.	383,300 shs.

No par value.

Funded Debt—
None.

Dividend Record—
Dividends — Present rate $1 per annum on both A and B stock; class A entitled to cumulative preferred dividend of 50 cents per annum, and equal participation with class B after payment of 50 cents per share on class B; both payable 1st Mar., June, Sept and Dec. Initial dividend of 12½ cents per share on both stocks paid June 1, 1929; and quarterly thereafter to Dec. 1, 1929; increased to 20 cents per share Mar. 1, 1930, and to present rate June 1, 1934. Bonus of 20 cents per share on both A and B shares paid Dec. 1, 1932; 15 cents June 1, 1934; 12½ cents June 1 and Dec. 1, 1937.

Head Office—Toronto.

Officers and Directors—
Officers—J. Milton Cork, pres.; Charles B. Shields, vice-pres. & gen. mgr.; Justin M. Cork, asst. gen. mgr.; Daniel Urquhart, vice-pres., sec. and treas.
Directors — J. Milton Cork, H. G. Muntz, Charles B. Shields, Daniel Urquhart, Justin M. Cork, W. E. Cork, Toronto; W. A. Arbuckle, Montreal.

Earnings per Share and Dividend Record—

Year end. May 31: Classes A & B.	1937	1936	1935
Earned	$1.33	$1.11	$1.08
Paid	1.00	1.00	1.00
Extra	0.12½	...	...

Seven Years Earnings—
Year end. May 31:

Year	Earnings $	Dividends $	Surplus $
1931	1,206,635	680,673	2,225,075
1932	1,180,841	679,568	2,292,194
1933	1,131,852	838,377	2,776,038
1934	1,061,299	832,404	2,874,397
1935	1,039,876	830,631	2,921,643
1936	1,084,354	828,607	2,994,549
1937	1,301,204	931,901	3,165,129

Market Record—

	*1937 H	*1937 L	1936 H	1936 L	1935 H	1935 L
Class A	25¾	23	23⅛	18¾	19¼	16½
Class B	23¾	20	22	17¼	18⅛	16

*To Oct. 13.

Canada Vinegars

Improvement Experienced in Sales and Earnings This Year Over 1936

Canada Vinegars Ltd. completes its fiscal year Nov. 30. Sales have been well ahead of 1936 which is reflected favorably in earnings, in comparison with former years.

With the season practically completed, the results for the last six weeks show every indication of continuing favorably to the year-end. Dividend requirements of $1.20 a share will be fully covered, it is understood.

The company manufactures vinegar in Canada directly and through subsidiaries, operating plants in Quebec, Ontario, Manitoba, Alberta and British Columbia. Results in 1936 were affected by drought which injured vegetable crops, but this year the late summer crops have been good, which is important in maintaining the demand for vinegar in the pickling industry.

Capitalization—

	Authorized	Outstanding
Com., n.p.v. ...	100,000 shs.	92,000 shs.

Dividend Record—
Common—Present rate $1.20 per share per annum, payable quarterly, Mar., June, Sept. and Dec. 1. Formerly $1.60, reduced to present rate by payment of 30c. Mar. 2, 1936.

Subsidiaries—
Western Vinegars Ltd.—Operates western plants of parent company in Winnipeg (2), Calgary, Edmonton and Vancouver. Capital stock: pref. 7% redeemable, cumulative, authorized $500,000, issued $311,600, $100 par; common, 15,000 n.p.v. shares authorized and issued, all of the common and all but 250 shares of preferred owned by parent company.
The Lion Vinegar Co. Ltd.—Operates plants in Quebec province, two in Montreal and one in Quebec City. Entire capital stock owned by parent company.

Head Office—112 Duke St., Toronto.

Officers and Directors—
Officers—C. L. Carsley, pres.; A. L. Spalding, vice-pres. & gen. mgr.; E. S. Scott, asst. gen. mgr.; P. L. Howell, sec.-treas.
Directors—A. L. Spalding, P. L. Howell, L. L. Carsley, W. E. Young, E. S. Scott, Toronto; C. L. Carsley, A. E. Mansfield, Montreal; E. A. Isard, Burlington; E. L. Isard, Winnipeg; E. W. Howell, C. Fry, Norwich, Ont.

Earn. per Share and Div. Record—

	1936	1935	1934
Com.: Earned	$1.23	$1.22	$1.62
Paid	1.20	1.60	1.60

Seven Years Earnings—

Year	*Earnings $	Dividends $	Surplus $
1930	232,588	147,200	178,988
1931	251,390	147,200	200,463
1932	233,150	147,200	204,960
1933	249,494	147,200	217,304
1934	243,548	147,200	219,520
1935	203,711	147,200	184,769
1936	210,778	110,400	157,501

*After all costs of operation, management, selling and office overhead expenses.

Market Record—

	*1937 H	*1937 L	1936 H	1936 L	1935 H	1935 L
Common	21	17	27¼	19¼	29	23

*To Oct. 6.

LAKE OF THE WOODS MILLING COMPANY, LIMITED

AND ITS WHOLLY OWNED SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEET AS AT 31st AUGUST, 1937

ASSETS

Property Account			
Land, Water Power, Buildings, Machinery and Equipment at Cost, less amount written off on Reduction of Capital during 1933, depreciation applied and the annual amount of depreciation written off Automobiles and Trucks		$7,182,465.14	
Less: Reserve for Depreciation		2,304,397.31	$4,878,067.83
Deferred Charges to Revenue			28,592.94
Investments in Controlled Companies—Allied Industries (Held by the Trustee for the Bondholders)			609,166.00
Sundry Investments—Grain Exchange Seat, etc.			6,532.00
Goodwill, Trade Marks, etc.			250,000.00
Cash on Hand and in Banks (Net)		66,447.21	
Investments (Market Value $17,280.00)		15,000.00	
Accounts Receivable After providing for Bad and Doubtful Debts		658,778.84	
Inventories Valued as follows:— Grain and Raw Materials at approximate Market Value. Flour, Feed and Bags at approximate Manufactured Cost		3,531,075.22	4,271,301.27
			$10,043,660.04

LIABILITIES

Capital Stock Authorized: 200,000 Shares of No Par Value. 15,000 Shares of 7% Cumulative Preferred Stock of $100.00 each.			
Issued: 147,689 Shares of No Par Value		$2,953,780.00	
15,000 Shares of 7% Cumulative Preferred Stock of $100.00 each		1,500,000.00	$4,453,780.00
First Mortgage Bonds, 6% Due 1st May, 1941: Issued and held by the Banks as collateral to Loans	$4,000,000.00		
Bank Loan Secured as Above and Under Sections 86 and 88 of the Bank Act		2,924,000.00	
Accounts Payable		432,724.02	
Provision for Federal, Provincial and Municipal Taxes		97,345.85	3,454,069.87
Insurance and Other Reserves			149,171.97
Earned Surplus			1,986,638.20
			$10,043,660.04

PROFIT AND LOSS AND SURPLUS ACCOUNT FOR THE YEAR ENDED 31st AUGUST, 1937

Balance—at 31st August, 1936			$1,972,949.32
Net operating Profit for the year ended 31st August, 1937		$738,705.73	
Less: Interest	$195,912.79		
Depreciation	150,000.00		
Provision for Income Taxes	49,377.10		
Directors' Fees	3,790.00		
Executive Salaries	55,333.36		
Legal Fees	1,316.60	455,729.85	
		282,975.88	
Dividends from Investments in Controlled Companies .		23,834.00	
Income from Investments		1,879.00	
Credit adjustment arising from prior years		20,000.00	328,688.88
			2,301,638.20
Deduct: Dividend on Cumulative Preferred Stock—Dividend for three years			315,000.00
Balance—at 31st August, 1937, per Consolidated Balance Sheet			$1,986,638.20

Contingent Liabilities:
Guarantee of $1,209,500.00, 5½% Bonds of Inter City Baking Company Limited.
On Customers' Paper under Discount $255,731.05.
Note: Dividends upon the Cumulative Preferred Stock are in arrear for two years.
On behalf of the Board: HUGH MacKAY, J. W. PYKE, Directors.

MONTREAL, 2nd OCTOBER, 1937

We have examined and audited the Books and Accounts of the Lake of the Woods Milling Company, Limited and of its Wholly Owned Subsidiary Companies for the year ended 31st August 1937.

The Investments in Controlled Companies appear in the Balance Sheet at what, in our opinion, may be considered a fair valuation. The dividend paid by the Inter City Baking Company, Limited was less than the earnings of that Company during the period under review.

The Inventories of Stocks on Hand have been determined and certified correct by responsible Officials of the Companies, and we have satisfied ourselves that the basis of valuation is as stated.

Subject to the above remarks, we report that we have obtained all the information and explanations we have required, and that, in our opinion, the above Consolidated Balance Sheet as at 31st August 1937, is properly drawn up so as to exhibit a true and correct view of the state of the combined Companies' affairs, according to the best of our information and the explanations given to us, and as shown by the Books of the Companies.

(Signed) RIDDELL, STEAD, GRAHAM & HUTCHISON,
Chartered Accountants, Auditors.

Nat. Bisc. & Conf.

National Biscuit and Confectionery Co., Vancouver, manufactures and distributes plain and fancy biscuits and confectionery. Earnings in 1936 showed improvement.

The company cannot pay dividends which would reduce net assets below twice the par value of the outstanding bonds without consent of two-thirds of bondholders.

Capitalization—

	Authorized	Outstanding
Common	$25,000	$25,000
Preferred	75,000	58,900

Par $100.

Funded Debt—
1st mtge. 6½% bonds, due 1950, outstanding $160,000.

Dividend Record—
Dividends—7% on preferred and common paid Feb. 4, 1937. No dividends may be paid which would reduce net assets below twice par value of bonds outstanding, unless with consent of two thirds of bondholders.

Head Office—1706 W. First Ave., Vancouver.

Officers and Directors—
L. H. Nicholson, pres. and man. dir.; H. S. Wilders, vice-pres.; Arnold Shiell, sec.-treas.; E. B. McDermid, H. R. Fanning, T. G. Beattie; all of Vancouver.

Earnings—
Net operating profit for year ended Dec. 31, 1936, after provision for bad debts, $32,948; bond interest, $10,400; sinking fund depreciation, $5,000; other depreciation, $4,917; reserves for income taxes, $3,728; net profit and surplus for year, $8,904; previous surplus $24,242; surplus carried forward $27,273 after deducting $5,873 for dividend paid Feb. 4, 1937. In 1935 net profit and surplus for year, $3,841.

Western Grocers

Income Increases Despite Unsatisfactory Conditions in Prairie Areas

Western Grocers Ltd., has increased its earnings substantially in the past four years, despite unsatisfactory agricultural income in the Prairie Provinces where the company carries on extensive operations. Offsetting the influence of agricultural income on the company's business has been high activity in mining, lumbering and paper industries in Manitoba and northwestern Ontario which are also served.

The company operates a wholesale grocery chain affiliated with some 700 Red & White retail stores. While headquarters are at Winnipeg, branches extend from Port Arthur westward to major Alberta centres. For the early part of this year, sales increased over the corresponding period of 1936.

The two subsidiaries, Dominion Fruit Co., Calgary, and H. H. Cooper Ltd., Edmonton, earned net profits in 1936. These earnings, however, were not taken into the accounts of Western Grocers as it was considered advisable to strengthen the position of the subsidiaries.

The 7% preferred shares are not callable. Although majority shareholders in 1936 approved provisions to allow redemption of the preferred shares at $110, the resolution was not sanctioned by the courts and the shares remain non-callable.

Capitalization—

	Authorized	Outstanding
Pref. par $100 ..	$2,500,000	$1,194,300
Com. (n.p.v.) ...	30,000 shs.	16,943 shs.

Funded Debt—
None.

Dividends—
Preference—$7 per annum, cumulative, payable Jan., Apr., July and Oct. 15. Paid regularly since 1926.
Common—Present rate $3 per share per annum, payable Jan., Apr., July and Oct. 15. A dividend of $1 per share paid Mar. 15, 1927. None thereafter to Jan., 1935, when stock established on $2 basis, with quarterly payment of 50 cents, increased to $2.40 per annum Jan. 15, 1937, and to $3 with payment of 75c July 15, 1937.

Subsidiary—Wholly owned.
Dominion Fruit, Ltd. — A wholesale fruit and vegetable organization operating in Western Canada.
H. H. Cooper, Ltd.—A wholesale grocery firm at Edmonton.

Head Office—Winnipeg.

Officers and Directors—
Officers—W. P. Riley, pres.; W. H. McWilliams, vice-pres.; Eben Govan, sec.-treas.; W. S. Graham, asst. sec.-treas.
Directors — W. P. Riley, W. H. McWilliams, H. W. Hutchinson, F. O. Fowler, Jas. A. Richardson, all of Winnipeg.

Earn. per Share and Div. Record—

	1936	1935	1934
Pref.: Earned....	$16.45	$14.05	$12.70
Paid	7.00	7.00	7.00
Com.: Earned....	6.66	4.97	4.02
Paid	2.10	2.00	0.50

Seven Years Earnings—

Year	*Earnings $	Dividends $	Surplus $
1930	133,777	83,601	378,307
1931	121,671	83,601	372,909
1932	141,136	83,601	277,713
1933	166,004	83,601	319,043
1934	215,662	92,072	378,660
1935	244,111	117,467	429,217
1936	326,934	119,181	506,470

*After deducting all operating expenses, interest paid on bank and mortgage loans, and making provision for bad and doubtful accounts.

Market Record—

	*1937 H	*1937 L	1936 H	1936 L	1935 H	1935 L
Com. ...	71	65	65	46½	50	32
Pref. ...	125	115	116	106	106	95

*To Oct. 14.

Braid, Tuck & Co.

Braid, Tuck & Co., Vancouver, has shown stability of earnings. The company imports and blends tea and coffee and distributes these products and also baking powder, spices, jellies, canned fish and similar lines throughout British Columbia and the Prairie Provinces.

Public investment interest is confined to the $75,000 bond issue.

Cons. Bakeries

Maintenance of $1 Dividend Is Taken Unofficially to Indicate Steady Earnings

Maintenance of a regular dividend of $1 a share through 1937 is taken to indicate that Consolidated Bakeries of Canada will show improvement in earnings for the year, although official confirmation is lacking. In 1935 and 1936 the company maintained a regular rate of 80 cents a share and made extra payments at the close of the year.

A holding company, Consolidated Bakeries, through subsidiaries operates in Quebec and Toronto, Hamilton, Windsor, London, Sarnia, St. Thomas, Peterborough and Chatham in Ontario. These operating subsidiaries market a wide variety of bread and cake products. Like other firms in the industry they have felt the effect of rising costs of materials.

The company's earnings depend to a large extent on general business conditions, and its liquid position has shown marked stability. The strength of the financial position has permitted payment of dividends practically equal to the full earnings in recent years.

The company is controlled, through management shares by Ogilvie Flour Mills Co., which is understood also to have a substantial interest in the ordinary shares.

Capitalization—

	Authorized	Outstanding
Mgmt. pref. .... No par value.	3 shares	3 shares
Com., n.p.v. ...	499,997 shs.	318,440 shs.

Funded Debt—
None.

Dividend Record—
Present rate $1 per share payable Jan., Apr., July and Oct. 1. $2 per annum paid from Apr. 1, 1929, to Apr. 1, 1930; $1 p.a. paid from July 1, 1930, to April 1, 1932; 12½c. paid July 1, 1932; 25c. per share paid Apr. 3, 1934; 80c. per annum paid from Jan. 2, 1935, to Jan. 2, 1937; increased to present rate April 1, 1937; bonus paid Jan. 2, 1936, and 20c. Jan. 2, 1937.

Subsidiaries—
Northern Bakeries Ltd.—Wholly-owned subsidiary which operates the company's bakeries, consisting of:
James Strachan, Ltd., Montreal; **James M. Aird, Ltd.**, Montreal; **Dent Harrison & Sons**, Westmount, Que.; **Neal Baking Co.**, Windsor, London, St. Thomas and Sarnia, Ont.; **Ideal Bread Co., Ltd.**, Toronto and Hamilton; **Nasmiths Ltd.**, Toronto; **Stocks Bread, Ltd.**, Peterborough, Ont.; **Norris Bros. Ltd.**, St. Thomas, Ont.; **Palmer Baking Co., Ltd.**, Chatham, Ont.

Head Office—Montreal.

Officers and Directors—
Officers—J. Turnbull, pres.; R. McMullen, vice-pres. & gen. mgr.; H. O. Neale, sec.; H. S. Pratt, treas.
Directors — R. R. Dobell, Sir Herbert Holt, Beaudry Leman, Sir Charles B. Gordon, G. A. Morris, J. W. McConnell, Montreal; R. McMullen, J. F. Lash, F. K. Morrow, F. G. Osler, J. Turnbull, Toronto.
Management Shareholders—J. W. McConnell, F. K. Morrow, G. A. Morris.

Earnings per Share and Dividend Record—

	1936	1935	1934
Earned	$1.01	$0.90	$0.60
Paid	.80+.20	.80+.10	0.20

Seven Years Earnings—

Year	*Earnings $	Dividends $	Surplus $
1930	275,260	396,066	151,447
1931	367,062	318,453	184,596
1932	9,916	119,422	80,074
1933	93,928	79,610	94,392
1934	192,724	63,789	223,426
1935	287,152	286,599	223,980
1936	321,584	318,443	227,121

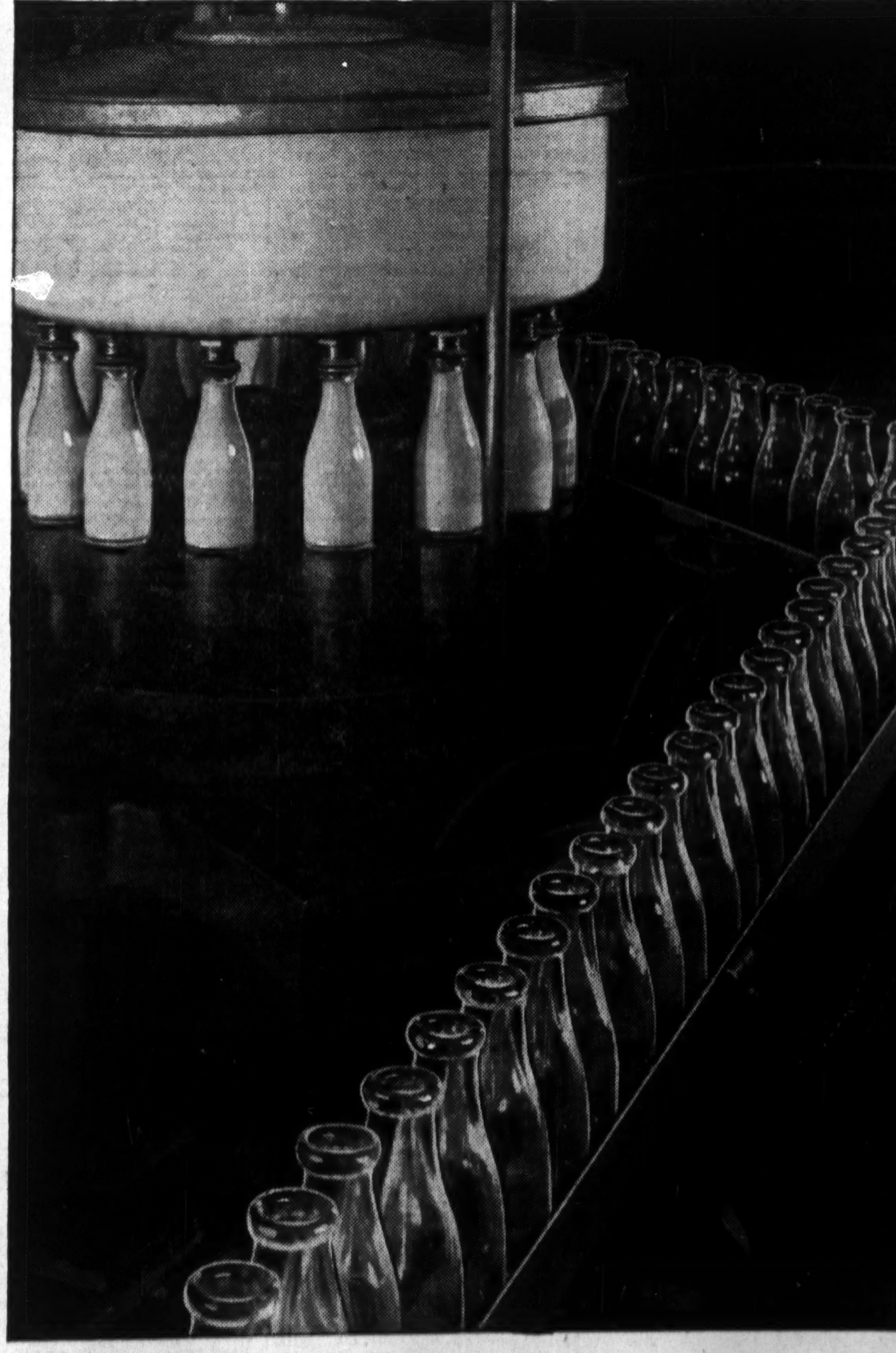
*After depreciation and income tax.

Market Record—

	*1937 H	*1937 L	1936 H	1936 L	1935 H	1935 L
Com. ..	23	16½	22	15¾	17⅛	11¼

*To Oct. 12.

Quality-Guarded



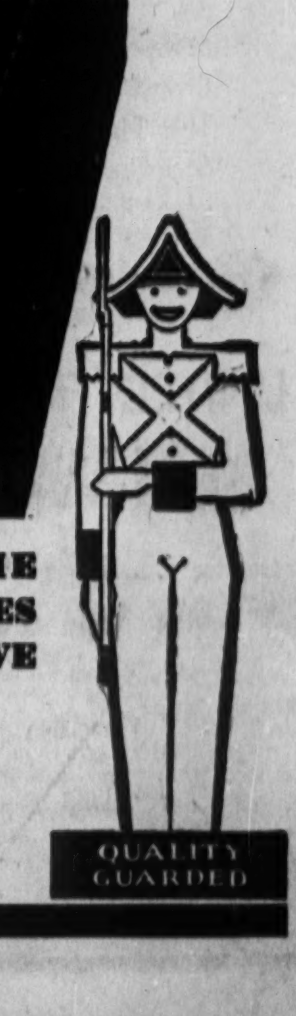
THE UTMOST CARE IS ESSENTIAL TO GUARD THE PURITY OF MILK. IN A MODERN DAIRY THE RESOURCES OF SCIENCE ARE MARSHALLED TO ATTAIN THIS OBJECTIVE

EASTERN DAIRIES LIMITED

BRANCHES:

Elmhurst Dairy Limited, Montreal. Acme Farmers Dairy Limited, Toronto.
Hull Dairy Limited, Hull. Acme Farmers Dairy Limited, Hamilton.
Crescent Creamery Co. Limited, Winnipeg. The Producers Dairy Limited, Ottawa.

A Canadian Company Owned and Operated by Canadians.



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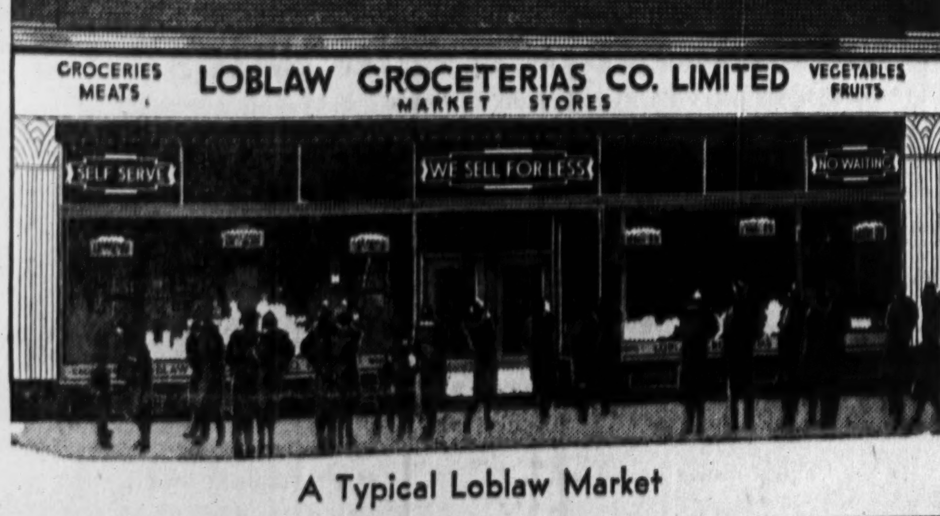
LOBLAW Groceterias Co. Limited



A Typical Loblaw Market

Dominion Stores

Closing of Unprofitable Stores and a Modernization Programme Has Turned Loss Into Profit

Dominion Stores Ltd. reported a net profit of $34,178 for the first 24 weeks of 1937 compared with a loss of $36,992 for the corresponding period of 1936. Up to Oct. 2, 1937, the company has reported sales of $14.9 millions compared with sales of $14.8 millions in 1936 for the same period, an increase of 0.64%.

A loss of $65,581 were reported for 1936, but this is substantially less than the loss of $610,342 shown in 1935. Provided that results for the last half of 1937 compare favorably with those for the first half, a small profit might be shown this year.

At the peak of its operations in 1931, Dominion Stores operated 572 stores. This number had been reduced by the end of 1936 to 488 and early in this year 17 stores were closed on Montreal Island. Most of the company's stores are in Ontario and the Montreal district but operations extend into the Maritime Provinces. Meats, groceries and fruits are distributed through the company's stores, of which 179 were markets, or combination grocery and meat stores, at the end of 1936.

An extensive renovation programme has been carried out over the past two and one-half years and a merchandising system installed to ensure that goods shall be fresh at all times. This has caused heavy write-offs for inventories and substantial outlays for new equipment and a policy of intensive concentration on each business area has been pursued.

Although the company has shown an increase of 0.64% in sales to Oct. 2, 1937, this is much smaller than the increase of 9.7% shown for the 40 weeks ended Oct. 3, 1936. Since the largest volume of sales and profits ordinarily occurs in the latter months of the year, it is evident that the policy of consolidation and closing of unprofitable stores is having a favorable result.

Heavy concentration of the company's operations in the Montreal area, where competition has been especially keen and a tendency shown to levy discriminatory taxes, has probably been a factor in the comparatively unfavorable showing in the past two years.

Capitalization—	Authorized	Outstanding
Com., n.p.v. ...	1,000,000 shs.	280,014 shs.
Pref., par $100	$5,000,000	None

Funded Debt—
None.

Dividend Record—
Common—None at present. Formerly $1.20 per share per annum, paid regularly July, 1929, to Jan. 2, 1935; 2% stock bonus paid June, 1930; 30 cents cash extra paid Jan. 2, 1932.

Head Office—Toronto.

Officers—E. Gordon Wills, pres.; W. F. Stewart, vice-pres. and gen. mgr.; Ivan W. Burdick, gen. sales mgr.; R. Paget, sec.; C. F. Hatton, treas.; J. Cox, asst. sec.; A. A. Beevor, asst. treas.

Directors—Morley Smith, E. Gordon Wills, W. F. Stewart, R. R. Corson, Toronto; W. S. Kies, New York; J. B. Jameson, Concord, N.H.; Dr. C. W Colby, R. O. Johnson, Montreal, Que.

Earnings per Share and Dividend Record—

	1936	1935	1934
Com.: Earned...	d$0.23	d$2.16	$0.06
Paid	nil	nil	1.20

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1930	601,263	335,436	1,267,003
1931	630,967	419,413	1,201,049
1932	497,033	336,858	1,113,623
1933	504,325	338,856	1,077,276
1934	174,522	336,856	749,510
1935	*454,777	......	117,444
1936	49,740	......	51,863

*Loss.

Silverwood Dairies

Earnings Improve on Higher Sales Volume — Reorganization Has Strengthened Position

Earnings of Silverwood Dairies Ltd. have improved on higher sales volume this year. For the full year, earnings appear likely to exceed those of the year ended in April, 1937.

The company has recently published figures showing results by four-week periods since the present year started. Interest charges have been covered more than twice and earnings have exceeded already 40 cents a share on the preferred, which is now in arrears 60 cents a share.

The preferred shares of $10 each and also the common were listed Aug. 11 on the Toronto Stock Exchange. This development follows the capital reorganization of 1936 when the former 7% preferred shares were exchanged half for new 6% debentures and the other half for new preferred. Another important development has been consolidation of operations of former subsidiary companies into the one enterprise which is operated entirely in Ontario. The reorganization and refinancing of former loans and mortgages has strengthened the company's liquid position.

The company's costs have risen, partly due to such levies as the sales tax but also in raw material prices. The company has campaigned for reduction or elimination of the sales tax on ice cream which would make an important contribution to earnings.

The company sells a wide variety of dairy products, including evaporated and powdered milk, through 24 operating plants in larger Ontario centres.

Capitalization—	Authorized	Outstanding
Pref., n.p.v. ..	145,000 shs.	*145,000 shs.
Com., n.p.v. ..	1,000,000 shs.	†176,598 shs.

*Including 2,860 preference shares held for issue upon surrender of former preference stock.

†Including 6,421 common shares held for issue upon surrender of former class A stock.

Funded Debt—
1st refund. mtge., 5% serial bonds, 1937 to 1951, $960,000. 6% registered s. f. debs., due 1966, $1,421,400.

Dividend Record—
No dividends paid to date on either stock. Dividends on old stock—7% preferred: paid regularly from Oct. 1, 1928, to April 1, 1932, which payment deferred to June 1, 1932; payment due July 1, 1932, paid July 30, 1932; regularly therafter to Jan. 1, 1933; reduced to 4% with payment of $1 April 1, 1933; paid regularly at that rate to Jan. 1, 1935, passed April 1, 1935. Arrears cancelled by 1936 reorganization. Class A and common 25c. paid quarterly from Oct. 1, 1928, to July 1, 1931; 12½c. paid Oct. 1, 1931; none thereafter.

Head Office—London, Ont.

Officers and Directors—

Officers—A. E. Silverwood, pres.; W. E. Robinson, vice-pres.; J. H. Duplan, gen. mgr.; J. H. Gillies, sec.-treas.; G. Blake, asst. sec.-treas.

Directors — A. E. Silverwood, W. E. Robinson, G. H. Belton, R. G. Ivey, J. H. Duplan, J. H. Gillies, London, Ont.; E. K. Reiner, Wellesley, Ont.; E. W. Nesbitt, Woodstock, Ont.; W. H. Carruthers, Dr. L. E. Pollock, T. R. Harrison, Toronto.

Times Interest Earned—

Int. on bonds, old debents., etc.:	Apr. 3 1937	Mar. 28 1936	Mar. 30 1935
Before deprec..	8.95		
After deprec. .	4.46		
Int. on new debents.:			
Before deprec..	5.11		
After deprec. .	2.22		

Earnings per Share and Dividend Record—

Preference (new):			
Earned†	$0.50	....	....
Earned‡	0.40	....	....
Paid	nil	....	....
Common (new):			
Earned*	0.08	....	....
Paid	nil	....	....
7% pref.: Earned	....	$3.51	$5.09
Paid	....	nil	3.00
Cl. A & Common:			
Earned*	....	d0.57	d0.32
Paid	....	nil	nil

*After allowing full dividends on the preference stock.
†Before participation with common.
‡After participation with common.

Earnings—

Year	Earnings $	Dividends $	Surplus $
1932	665,140	294,865	1,359
1933	541,675	203,150	1,507
1934	427,805	120,869	5,155
1935	519,912	87,405	1,550
1936	474,833	......	81,871
1937	500,354	......	132,270

Market Record—

	1937 High	1937 Low
Common	1.85	1.50
Preferred	4¾	3½

Can. & Dominion Sugar

Earnings Down in Recent Years But Powerful Finances Permit Extra Dividend Payments — Ontario Competition Keen

Canada and Dominion Sugar Co. is the major refiner and marketer of cane and beet sugar in Canada. In the last few years there has been a decline in earnings, but its powerful financial position has enabled it to pay increased dividends on the common.

The company has refineries at Montreal, as well as at Wallaceburg and Chatham in Ontario. Ontario business produces a large proportion of the volume and competition in the area has increased in the past few years. Such competition has developed from a new refinery and from canning companies who manufacture their own sugar. Imports of semi-manufactured sugar from other parts of the British Empire and of refined sugar from the United States have also been factors in the decline of earnings.

The company's principal brands are Redpath and "Dominion Crystal."

There has been fluctuation in sugar prices in the last few years which have also contributed to swings in earnings.

Capitalization—	Authorized	Outstanding
Com., n.p.v. ..	1,000,000 shs.	500,000 shs.

Dividend Record—
Current rate $1.50 a year; payable Mar., June, Sept. and Dec. 1; extra of 50c paid on Dec. 1, 1933, July 15, and Dec. 15, 1934, May 15 and Dec. 1, 1935. $1 extra paid May 15 and Oct. 20, 1936, and May 15 and Oct. 1, 1937.

Officers and Directors—

Officers—C. H. Houson, pres.; H. R. Drummond and H. F. Smith, vice-pres.; W. J. McGregor, sec.-treas.

Directors—C. H. Houson, W. J. McGregor, Chatham, Ont.; A. E. Dyment, W. C. Laidlaw, Toronto; H. R. Drummond, A. H. Thomson, G. B. Foster, Montreal; G. H. Moulthrop, Bay City, Mich.; H. F. Smith, Detroit.

Subsidiaries—

The Canada Sugar Refining Co. Ltd.—Wholly-owned. Operates cane sugar refinery at Montreal.

Dominion Sugar Co., Ltd. — Wholly-owned. Operates beet sugar refineries at Chatham and Wallaceburg, Ont.

Montreal Products Co. Ltd.

Head Office—Chatham, Ont.

Earns. per Share & Dividend Record—

Yr. end. Jan. 31:	1937	1936	1935
Common: Earn.*	$3.29	$3.47	$4.37
Paid	1.50+$2	1.50+$1	1.50+$1

*Based on profit including profit on investments sold and after deduction of premium on bonds purchased written off.

Market Record—

	*1937 H	*1937 L	1936 H	1936 L	1935 H	1935 L
Common	82½	60	69¾	57	60½	55

*To Oct. 14.

Burry Biscuit

Sales and Earnings to Show Considerable Improvement Over 1936 Results

Burry Biscuit Corp. has had improvement in sales this year, and earnings for the 12 months to Oct. 31 are expected to show considerable improvement over the 1936 report which covered only a 10-month period.

The company and its subsidiaries manufacture and distribute plain and fancy biscuits and baked goods and confections in the United States. Many new lines have been introduced this year with good results. The company's products are manufactured at Linden, N.J. and by the subsidiary Educator Biscuit Co. at Chicago. Shares were listed on the Toronto Stock Exchange in 1936.

G. W. Burry, president, this year states that the dividend policy would be to distribute as much of earnings as possible, to avoid penalty of U. S undistributed profits tax. An initial dividend of 25 cents a share was paid on the common in June. The preferred shares are convertible into common, eight common for one preferred and at times prices for the common have caused conversions. However, on an income basis, it would be necessary for annual common dividends to be established at more than 37½ cents a share to attract steady conversions.

Capitalization—	Authorized	Outstanding
Com., par 12½c.	480,000 shs.	401,040 shs
Pref., par $50 ...	$500,000	$493,500

Funded Debt—
None.

Dividend Record—
Preferred—Entitled to 6% per annum ($3 per share) payable quarterly, cumulative from Jan. 1, 1936. First payment made July 1, 1936, amounted to $1.50, representing payment for two quarters. Now on regular basis. Payable—Jan., April, July and Oct. 1.
Common—Initial dividend of 25c. paid June 21 1937.

Officers and Directors—

Officers—G. W. Burry, pres.; G. W. Fraser. vice-pres. & treas.; D. H. Mahan, vice-pres.; J. M. Keyser, sec. & asst. treas.; L. B. Filbrandt, asst. sec.

Directors—G. W. Burry, Linden, N.J.; G. W. Fraser, Chicago; S. C. Ross, Buffalo; L. B. Filbrandt, Chicago; J. B. White, Toronto.

Head Office—Linden, N.J.

Subsidiaries—

Educator Biscuit Co., Delaware incorporation May, 1933.

Burry Biscuit Corp. (Western). Delaware incorporation Nov., 1934.

Earns. per Share and Divd. Record—

Jan. 11, 1936 to Oct. 31, 1936:	
Preferred: Earned	$14.48
Paid	2.25
Common: Earned	0.31
None paid.	

Market Record—

	*1937 High	*1937 Low	1936 High	1936 Low
Common	8¼	3½	9¾	6¾
Preferred	60	35	75	51

*To Oct. 12.

Atlantic Sugar

Reduction in Interest Charges and Retirement of "A" Stock Effected

Atlantic Sugar Refineries position has not undergone any material change in the past year. Since the change in control a short time ago, little information has been given to the public either on earnings or operations. At the end of last October the company retired all outstanding 5% debenture stock and 7% "A" preferred. The funds for this purpose were raised through the sale of a new issue of $2 millions of first mortgage bonds carrying coupons ranging from 2½% to 4%.

The latest report of the company, covering the eight months ended Aug. 31, 1936, showed a net profit of $243,447 and earned surplus carried forward amounted to $2,462,190. In the previous 12 months net profits totalled $596,571.

Capitalization—	Authorized	Outstanding
Com., n.p.v. ...	160,000 shs.	160,000 shs.

After giving effect to redemption of $1,111,100 A preference 7% cumulative stock on Oct. 31, 1936, at 105.

Funded Debt—
1st mtge. bonds 2½% and 3%, due serially $100,000 per year from Nov. 1, 1937 to 1941 inc.; interest payable in Canadian funds, May and Nov. 1 at rate of 2½% to 1938 inc., and 3% to 1941, $500,000; 4% 15-yr. bonds due 1951, $1,500,000.

Dividend Record—
Common—None paid. Former A preference: 7% cumulative, initial quarterly payment Oct. 1, 1932; paid regularly to redemption Oct. 31, 1936. Former B preference and old common: none paid.

Head Office—Montreal.

Officers and Directors—
F. R. Graham, chm.; L. J. Seidensticker, pres., Montreal; P. R. Gardiner, vice-pres.; S. A. Hayden, sec., Toronto; E. S. Johnston, asst. sec. & treas.; J. C. H. Dussault. D. H. McDougall, Montreal; T. J. Dillon, New York.

Moirs

Company in Good Position to Benefit by Higher Sales

Moirs Ltd., Halifax manufacturers of confectionery and bakery products, is now entering its busiest season and volume of business booked during the next few weeks will largely determine the outcome for the year's operations.

Last year Moirs reported moderate improvement in earnings, net operating income totalling $111,147 as against $104,404 in 1935. Following its usual custom, the company charged all income to depreciation reserve after providing for bond interest.

The company is well fixed for raw materials and in view of better conditions, expectations are that income for 1937 will be on a larger scale.

Capitalization—	Authorized	Outstanding
Com., n.p.v. ...	20,000 shs.	15,500 shs.
1st pref., par $100	$975,000	$975,000

Funded Debt—
1st mtge. S. F. 6% bonds, due 1953, outstanding $750,000.

Dividend Record—
First preference—Entitled to 6% per annum, cumulative from Jan. 1, 1935. None paid; in arrears, as at Dec. 31, 1936, to the extent of $12 per share.

Officers and Directors—

Officers—J. C. MacKeen, pres.; W. K. McKean, vice-pres., W. B. Proctor, man. dir.; Thomas Hood, sec.-treas.

Directors—J. C. MacKeen, W. B. Proctor, W. K. McKeen, Hon. J. Fred Fraser, C. W. Stairs, D. R. Turnbull, Halifax, N.S.

Head Office—Halifax, N.S.

Times Bond Interest Earned—

	1936	1935	1934
Before deprec.	2.47	2.32	....
After deprec.	1.00	1.00	....

Eastern Dairies Ltd.

Moderate Improvement Expected on Operations This Year — Resumption of Preferred Dividend Unlikely at This Time

Eastern Dairies Ltd. is expected to show some improvement in net earnings for the current year. Conditions in the industry are still somewhat unsatisfactory, owing to governmental restrictions and regulations.

There is little prospect that the company will be able to earn its preferred dividend this year. On the other hand, income should be sufficient to cover bond interest and sinking fund. A small balance on the preferred stock is a possibility, but a resumption of dividends is not likely in the immediate future.

Capitalization—	Authorized	Outstanding
Com., n.p.v. ...	*200,000 shs.	100,000 shs.
Pref. 7% cum. .. $100 par.	$5,000,000	$2,500,000

*33,372 reserved for conversion of series A bonds.

Funded Debt—
6% first collateral trust convertible series A bonds, due 1949, outstanding $2,781,000.

Dividend Record—
Preferred—Entitled to 7% per annum, cumulative, payable quarterly, Jan., Apr., July and Oct. 15. Initial payment made July, 1926, and regularly to and including Jan. 15, 1933; none since. In arrears as at Mar. 31, 1937, $29.75 per share.
Common—None at present. Initial dividend of 25c. paid Nov., 1930, and regularly quarterly at that rate to and including Aug. 1, 1932; since passed.

Subsidiaries—
All the companies acquired have been consolidated under these subsidiaries:

Elmhurst Dairy, Ltd.— Operates dairy plant, two distribution depots, creamery, in Montreal and district.

The Producers Dairy, Ltd.—Company and subsidiary, **Hull Dairy, Ltd.**, operate dairy plant, distributing depot, two creameries and a cheese factory in Ottawa and district.

Crescent Creamery Co., Ltd. — Winnipeg.

Acme Farmers Dairy, Ltd. — Toronto and Hamilton.

Head Office—Montreal.

Officers and Directors—

Officers—W. R. Aird, pres. and man. dir.; P. A. Thomson, vice-pres.; E. W. King, sec.-treas.

Directors—W. R. Aird, A. J. Nesbitt, C. B. Price, P. A. Thomson, all of Montreal; Bower Henry, Ottawa.

Times Bond Interest Earned—

Years ended Mar. 31:	1937	1936	1935
Before depr.*	1.33	1.99	2.45
After depr.*	0.02	0.76	1.18

*Times bond interest and premium paid and accrued.

Earn. per Share and Div. Record—

Pref.: Earn.†	d$4.27	d$1.23	$0.46

†Calculated on combined preferred shares of company and subsidiaries then outstanding.

Seven Years Earnings—Yr. End. Mar. 31:

Year	Earnings $	Dividends $	Surplus $
1931	835,380	349,574	248,794
1932	801,689	383,099	257,682
1933	491,563	272,525	40,631
1934	396,046	*10,000	27,762
1935	431,625	......	35,773
1936	349,577	......	9,223
1937	229,692	......	†178,360

*Crescent Creamery Co. dividends.
†Deficit.

Market Record—

	*1937 H	*1937 L	1936 H	1936 L	1935 H	1935 L
Common	5	1⅜	4	1½	3½	1½
Pref. ..	30	6	21	8½	20	12

*To Oct. 13.

ACME FARMERS DAIRY
(Controlled by Eastern Dairies)

Capitalization—	Authorized	Outstanding
Common*, n.p.v.	150,000 shs.	83,420 shs.
Pref., par $100 ..	$750,000	$700,000

*All common stock is owned by Eastern Dairies, with the exception of directors' shares.

Funded Debt—
Consists of $700,000, 7% debenture notes due 1949, held as collateral for the parent company's funded debt.

Dividend Record—
Preferred—7% per annum, payable Feb. and Aug. 10. Paid regularly to and including Feb. 10, 1933; since passed. In arrears as at Mar. 31, 1937, $29.75 per share.

Head Office—Toronto.

Officers and Directors—

Officers—G. A. Aird, pres. & man. dir.; W. R. Aird, vice-pres.; E. W. King, sec.-treas.

Directors—W. R. Aird, E. W. King, Montreal; G. A. Aird, Toronto; J. G. Cornell, Scarboro, Ont.; Hon. George S. Henry, Todmorden, Ont.

Earnings per Share—

Yr. end. Mar. 31:	1937	1936	1935
Pref.: Earned ..	d$16.55	d$4.49	$4.63

No dividends paid.

CRESCENT CREAMERY
(Subsidiary of Eastern Dairies)

Capitalization—	Authorized	Outstanding
Pref., par $100 ..	$1,450,000	$1,000,000
Common, n.p.v. .	50,000 shs.	50,000 shs.

Common all owned by parent company.

Dividend Record—
Preferred — 7% per annum, cumulative, payable Jan., Apr., July and Oct. 15. Paid regularly to and including Apr. 15, 1933; none thereafter until $1 paid Apr. 16, 1934. None since. In arrears as at Mar. 31, 1937, $27 per share.

Head Office—Winnipeg.

Officers and Directors—

Officers—W. R. Aird, pres.; D. M. Aird, vice-pres. and man. dir.; E. W. King, sec.-treas.

Directors—W. R. Aird, E. W. King, Montreal; D. M. Aird, H. S. Sellers, C. C. Wardrope, Winnipeg.

Earnings per Share—

Year end. Mar. 31, 1937:	
Preferred: Earned	d$8.83
None paid.	

PYRAMID
TRANSPARENT BAGS

Pyramid Bags made from "Cellophane" — an unbeatable combination — The modern trend in merchandising.

Distributed by

MacGregor Paper & Bag Co., Inc.
Montreal—Quebec City—Saint John—Halifax

W. J. Bell Paper Co. Limited
TORONTO

Also Grocery Bags—Glassine Bags—Confectionery Bags, Bakers, Notion and Millinery Bags

"KOOPERATIVE" Food Factory and Warehouse in Stockholm, Sweden.

In Sweden as in CANADA
Consumer Acceptance Grows

"HIAWATHA" Brand Canned and Evaporated Apples are enjoying increasing acceptance with the trade and the consumer both at home and abroad.

Below is pictured a "HIAWATHA" Brand shipment photographed by The Financial Post this summer in Stockholm in the "Kooperative" plant illustrated above.

• CANNED PEARS, PLUMS, STRINGED BEANS •

UNITED FRUIT COMPANIES
OF NOVA SCOTIA, LIMITED
KENTVILLE CANADA

QUALITY PRODUCTS
Now Obtainable From Your Grocer;
From Coast to Coast Across Canada

BLUE RIBBON LTD., Winnipeg, Vancouver Edmonton, Calgary

PURE GOLD MFG. CO. LTD. Toronto, Ontario

Seventy-Five Years Young

A QUALITY PRODUCT never grows old. It keeps fresh in the minds of its users because they like it. And the new generations are told of its goodness.

Such is the consumer-satisfying product — "BENSON'S PREPARED CORN" which, for over seventy-five years, has been the favorite of Canadian Housewives.

Other products of the Canada Starch Company, with widespread consumer demand, include the famous "CROWN BRAND" and "LILY WHITE" Corn Syrups, "CANADA" Corn Starch, and "MAZOLA", the Salad and Cooking Oil.

•

THE CANADA STARCH COMPANY LIMITED
MONTREAL TORONTO

"Lantic Sugar"
a trade name that inspires consumer confidence and sales

•

ATLANTIC SUGAR REFINERIES LIMITED
MONTREAL — SAINT JOHN

Canada Packers

Earnings Being Maintained Around Same Level as Last Year — Plant Extension Programme Near Completion

Earnings of Canada Packers Ltd. this year have been running at just about the same level as in 1936. The company's year closes late in March, so results for the remaining six months will have an important bearing on earnings for the full year.

The company has $750,000 of serial bonds maturing annually in the coming three years. Despite paying off the $750,000 of maturing bonds last year working capital was maintained at a high level. The company expects also to make substantial outlays on the new plant at Edmonton.

Earnings last year were the highest in history and maintenance of profits at approximately the same level for the first half of 1937 is encouraging.

Dividends on the common are being maintained at $3 annually, no increase being made because of the company's commitment to a policy of plant expansion. Expenditures on plant extensions last year totalled $1,067,031 and approximately $1,150,000 was authorized for this purpose in the current year.

Completion of the Vancouver plant this year is expected to conclude the present expansion programme. Last year saw completion of a plant at Edmonton.

Current Position

While working capital was only slightly changed last year, current assets and liabilities both rose substantially, the changes being mainly in higher inventory values and a rise of bank loans. Increases in inventories, and in sales, were partly due to new business from the Edmonton plant, and increased bacon exports, although all plants enjoyed higher domestic volume. The outlook for the company depends largely upon maintenance of high export volume of bacon and hams through British trade agreements. In this connection, continued stability in the level of the pound sterling is important.

The company has efficient management, which is highly important as shown by analysis of profits which shows that the net amounts to only about one-fifth of a cent per pound of products sold.

The company's plants are distributed from coast to coast, with major operations centred at Toronto.

Capitalization—

	Authorized	Outstanding
Common, n.p.v.	200,000 shs.	200,000 shs.

Funded Debt—
Collateral trust bonds: 3⅛% due 1938, $750,000; 3¼% due 1939, $750,000; 3⅜% due 1940, $750,000; 4% due 1946, $3,000,000.

Dividend Record—
Common—$3 per share per annum, payable quarterly Jan., Apr., July and Oct. 1. Paid regularly since Apr. 1, 1935.

Subsidiaries—
William Davies Company, Inc.
The Harris Abattoir Company, Ltd.
Canadian Packing Company, Ltd.
Gunns Limited.
Collis Leather Co.

Head Office—Toronto.

Officers and Directors—
Officers — J. S. McLean, pres.; E. C. Fox, T. F. Matthews and W. T. Harris, vice-presidents; S. G. Brock, sec-treas.; N. J. McLean, gen. mgr.
Directors—J. S. McLean, E. C. Fox, T. F. Matthews, N. J. McLean, W. S. Cameron, S. G. Brock, W. T. Harris, A. L. Laing, A. G. Hall, all of Toronto; G. S. Matthews, Peterborough, Ont.

Earnings per Share and Dividend Record—

Years Ended:	Mar. 25 1937	Mar. 26 1936	Mar. 28 1935
Com.: Earn.	$7.81	$4.86	$4.48
Paid	3.00	3.00	0.75

Seven Years Earnings—
Yr. end. Mar. 25:

Year	*Earnings $	Dividends $	Surplus $
1931	838,112	435,395	4,111,638
1932	450,303	422,319	4,073,622
1933	607,672	422,254	4,259,040
1934	1,429,670	1,055,672	4,633,038
1935	1,318,663	572,287	5,379,414
1936	1,288,011	916,701	5,177,174
1937	1,522,662	600,000	6,099,836

*After all expenses, bond interest, income tax provision and depreciation.

Stock Range—

	*1937 H	*1937 L	1936 H	1936 L	1935 H	1935 L
Common	98	75	93	80	82½	50

*To Oct. 7.

Connors Bros.

Connors Bros. has experienced a good volume of business during the current year and final results are again expected to be favorable. This company not only supplies the major proportion of the domestic market for sardines and other canned fish products, but also has an important export trade. Its investment in the Black's Harbor plant and equipment amounts to over $1.4 million. Direct employment is provided for over 600 people while indirectly some 1,500 fishermen are dependent on it for sale of their catch.

All securities are closely held and it does not publish a balance sheet or issue a statement of earnings. On May 1 last, the company called all of its outstanding 6½% first mortgage bonds. It is understood that funds for redemption of these bonds were obtained from the company's own cash resources.

Capitalization—

	Authorized	Outstanding
Pref., $100 par	$250,000	$250,000
Com., n.p.v.	5,000 shs.	4,100 shs.

Funded Debt—
None.

Dividend Record—
Preferred—7% payable quarterly, Mar., June, Sept. and Dec. 1. Paid regularly.
Common—$5 paid in 1927; $6 in 1928; $7 in 1929; $8 in 1930; $4 in 1931; $2 in 1932 and $1.25 in 1933.

Head Office—Black's Harbour, N.B.

Officers and Directors—
Officers—A. N. McLean, pres.; L. V. Lingley, vice-pres.; A. M. A. McLean, treas.; J. M. Scovil, sec.
Directors—A. N. McLean, L. V. Lingley, J. M. Scovil, Saint John, N.B.; C. H. Easson, Toronto; A. M. A. McLean, Black's Harbour, N.B.; Hon. B. M. Hill, Montreal.

B. C. Packers

Position Affected by Lower Runs of Salmon This Year

British Columbia Packers this year is affected by smaller runs of salmon on the Pacific coast. The 1937 runs are comparable with those of 1933, being the smallest of the four cycles making up the four annual succeeding runs. The company may, therefore, not be in a position to do as large a volume of business as in 1936.

There has been a reduction in the pack of sockeye salmon, and a sharp reduction in cohoes. Pinks have shown only a slight reduction and the lower grade keta pack is a little ahead of 1936. Generally speaking, however, the effect of the reduced packs is to leave the company with prospects of a smaller volume of business than a year ago.

Another factor in the company's situation is that there has been some reduction this year in British imports of Canadian salmon, while imports of Japanese salmon showed a sharp expansion.

The company's earnings are liable to fluctuation because of variation in salmon packs and prices. Last year was a good one for the company, which was recapitalized in 1935. The elimination of senior securities, and last year's improvement strengthened finance materially.

Capitalization—

	Authorized	Outstanding
Com., n.p.v.	390,994 shs.	*136,279 shs.

*Of which 129,227.3 shares have been issued and the balance of 7,051.7 shares are to be issued in exchange for shares in accordance with the scheme of reorganization dated Oct. 21, 1935.

Funded Debt—
1st mtge. S.F. debs., 5%, due 1944, outstanding $221,000.
Non-interest-bearing 2nd mtge. debentures — Due Dec. 31, 1960. $1,050,000 issued and deposited as part security against bank loan of $1,370,536 and bills payable of $543,000, as at Dec. 31, 1936.

Dividend Record—
Common—None paid to date.

Head Office—Vancouver.

Officers and Directors—
Officers—H. R. MacMillan, pres.; Stanley J. Burke, vice-pres.; J. M. Buchanan, gen. mgr.; S. K. Murray, sales mgr.; G. M. Ferguson, sec.-treas.
Directors — Stanley J. Burke, F. E. Burke, George Kidd, H. R. MacMillan, J. P. D. Malkin, W. J. VanDusen, Austin C. Taylor, Gordon Farrell, all of Vancouver; J. S. McLean, J. H. Gundy, Toronto; A. H. Williamson, Winnipeg, Man.

Times Debent. Interest Earned—

	1936	1935	1934
Before deprec.	28.97	11.86	14.68
After deprec.	9.17	nil	nil

Seven Years Earnings—
Years ended Feb. 28:

Year	†Earnings $	Dividends $	Surplus $
1931	*897,377	208,850	*759,629
1932	*451,679	......	*1,659,760
1933	81,022	......	*1,946,979
1934	108,290	......	*3,380,542
1935	219,317	......	*3,801,534
1936	188,450	......	*32,250
1937	385,766	......	67,797

*Loss or deficit. †After interest on bank loans, bills payable, etc.

Market Record—

	*1937 H	*1937 L	1936 H	1936 L
Com.	22	10	22½	8

*To Oct. 6.

Burns and Co.

Although Earnings Have Fallen Maintenance of Volume in Closing Months Should Allow Payment of All Interest

Provided autumn business is maintained at approximately the levels of last year, it is expected that the position of Burns & Co. will allow full interest on bonds, including income bond interest for 1937. The income interest is payable only if earned and on condition that net current assets exceed $2,750,000. In the past two years the full income interest called for under the 1934 reorganization has been earned and paid.

Earnings for the first six months of 1937 were lower than in the 1936 period, but earnings in July, August and September showed improvement. Owing to a much lighter run of hogs than last year, outlook for the final three months is regarded as somewhat indefinite.

The chief causes of lower earnings for the first half of the year were the strike at the company's Vancouver plant, a general increase in wages through the organization adopted last March, and reduction of purchasing power of consumers in western areas where crop conditions have been adverse.

Capital Expenditures

The company has been carrying out considerable capital expenditure this year. The chief item of construction is a new abattoir at Calgary. The new plant should be completed before the end of the year.

The company operates a meat packing and foodstuffs business with packing houses and distributing systems. It operates chiefly in western Canada but maintains export agencies in Europe, the West Indies and the Far East to handle exports.

Net current assets amounted to $3,044,000 at the close of 1936, after providing for payment of interest on income bonds, and capital expenditure of $275,000 last year. John Burns, president, states that capital expenditures should be reflected in greater operating economies.

Earnings of the two subsidiaries, Palm Dairies Ltd. and Consolidated Food Co., are not reflected in the accounts of Burns & Co. Until the net working capital of both companies is built up through earnings no distribution of dividends through the parent company is anticipated.

Although in the past two years earnings have been shown on the class A and class B stock, dividends are not in prospect at present, because they cannot be paid until net current assets exceed $3.5 millions.

Capitalization—

	Authorized	Outstanding
Cl. A $1 pfd. Non-cum., n.p.v.	33,790 sh.	33,584½ sh.
Cl. B, n.p.v.	139,995 sh.	109,554 sh.
Management, n.p.v.	5 sh.	5 sh.

Funded Debt—
First mtge. 5% series A bonds, due 1958; outstanding *$6,673,400.
*The Trust Deed as amended in 1934 divided this issue into 2 divisions with regard to payment of interest, as follows:
Obligatory interest bonds—2% per annum Jan. 1, 1934, to Jan. 1, 1935; 3½% p.a. Jan. 1, 1935 to Jan. 1, 1936; 5% p.a. (Jan. and July 1) to maturity, outstanding $3,358,450.
Income bonds — 5% per annum, until Dec. 31, 1938, payable April 1, each year only to the extent of 75% of available income, non-cumulative; thereafter a fixed charge payable Jan. and July 1, commencing July 1, 1939. On April 1, 1936. 5% paid for year 1935, outstanding $3,314,950.

Dividend Record—
(On old stock) Preferred—6% cumulative, payable Jan., Apr., July and Oct. 1; paid regularly to Oct. 1, 1930, none thereafter.
Common—None paid. New stocks: none paid to date.

Subsidiaries—
Palm Dairies Ltd.
Consolidated Fruit Company Limited—77% owned.

Head Office—Calgary, Alta.

Officers and Directors—
Officers — John Burns, pres.; J. H. Kelly, sec.; W. C. Stamp, treas.
Directors—John Burns, J. I. McFarland, A. C. Newton, Wm. Toole, Calgary; Col. A. M. Brown, Vancouver; W. S. Hodgens, E. G. Long, Toronto; A. E. Pequegnat, Waterloo, Ont.; H. R. Milner, Edmonton.

Times Bond Interest Earned—
Obligatory interest:

	1936	1935	1934
Before deprec.	5.51	7.71	7.98
After deprec.	3.62	5.01	3.43
Inc. bond int.	2.64	2.83	..

Earns. per Share and Div. Record—

	1936	1935	1934
Class A: Earn.	$5.82	$6.99	$4.13
Earned‡	2.13	2.41	1.74
None paid.			
Class B: Earn.‡	1.13	1.41	0.74
None paid.			

‡After giving effect to participating provisions.
None paid.

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1930	687,532	312,531	14,633
1931	299,289	......	*516,461
1932	96,473	......	*1,167,784
1933	474,035	......	*1,379,553
1934	561,869	......	139,433
1935	905,159	......	374,268
1936	943,118	......	569,653

*Deficit.

Canada Tea Co.

Canada Tea Co. does a wholesale and retail business in teas, coffees, spices and similar lines. Operating branches at Peterborough, Hamilton, Brantford, Woodstock and London, the company has headquarters in Toronto.

Partial payments have been made on the 7% preferred stock in recent years. No dividends have been paid on the common since 1913 and in view of arrears of preferred are not likely at present.

Capitalization—

	Authorized	Issued
Pref., 7% cum.	$ 500,000	$171,400
Common	1,000,000	331,200

Par $100.
Thirty-six preferred and 18 common shares are held in trust for the company.

Dividend Record—
Preferred—Entitled to 7% per annum, cumulative, payable 1st Jan., Apr., July and Oct. As at May 30, 1936, arrears totalled 53½%. 2% paid Oct. 3, 1935 and Feb. 27. 1936
Common—None since 1913.

Head Office—Toronto.

Officers and Directors—
Officers—C. J. Scandrett, pres. & man. dir.; J H. Scandrett, vice-pres.; J. Hobson, sec.-treas., Toronto.
Directors—C. J. Scandrett, C. T. Stark, J. Hobson, J. H. Scandrett, S. B. Playfair, Toronto.

CHEMISTRY
and the Food Industries

Composition, purity, adulteration, quality — these and many other problems of food preparation and processing are the almost daily study of our chemists and engineers.

Consult us about those problems which are engrossing you. We can probably give you that little technical assistance that is required for their solution.

MILTON HERSEY CO., LIMITED
Industrial Chemists and Engineers
MONTREAL WINNIPEG

Edmonton Livestock

Livestock receipts at the Edmonton stockyards during the first seven months of the year are reported as follows: Cattle, 31,896 head (compared with 38,839 head during the first seven months of 1936); calves, 12,497 (8,791); hogs, 34,444 (41,096); sheep, 5,778 (6,695); horses, 337 (658).

Acadia Sugar

No Material Change in Earnings — Financial Position Strengthened

Operations of Acadia Sugar Refining Co. this year are much the same as a year ago, when the company reported net earnings of $401,973. While this represented a drop in income from the previous year, the balance was sufficient to cover preferred dividends and 2% on common. Arrears on preferred have been cleaned up this year and the payment on the common was the first authorized by the board.

Acadia Sugar has undergone a steady improvement and the balance sheet at the end of last year showed a working capital well maintained at $809,925. The refinancing of the old funded debt, which carried a high coupon, effected a considerable saving in interest charges.

Capitalization—

	Authorized	Outstanding
Pref. cum.	$1,500,000	$1,300,000
Common	1,500,000	1,500,000

Par $5 and £1.

Funded Debt—
4½% 1st mtge. S. F. bonds, due 1955, outstanding $1,470,000.

Dividend Record—
Preferred—6% cumulative, payable Jan., April, July and Oct. 1; paid regularly from Dec. 15, 1930, and following payments made on arrears: 1% Dec., 1931; 1% June, 1932; 2% Dec., 1932; 1% Mar. and June 1, 1933; 1½% Sept. 1, 1933, and quarterly to July 1, 1936, which cleared up all arrears. Dividends on old stock were paid regularly from 1904 to 1916 none thereafter; in 1926, shareholders accepted reorganization of capital and distribution of new stock in lieu of arrears of dividends; none paid on new stock until Dec., 1930.
Common—Initial payment of 2% made Dec. 1, 1936; 2% paid Mar. 1, 1937; dividends paid on old stock from 1904 to 1915

Head Office—Halifax.

Officers and Directors—
Officers—J. McG. Stewart, pres.; D. R Turnbull, man. dir. and sec.
Directors — J. C. MacKeen, J. McG. Stewart, D. R. Turnbull, Hon. W. H. Covert, Halifax; J. Mitchell, J. B. Ramsay, R. Thom, Glasgow, Scotland; Hon. C. W. Robinson, Moncton.

Times All Interest Earned—

	1936	1935	1934
Before deprec.	6.38	5.11	4.40
After deprec.	3.71	3.21	2.30

Earn. per Share and Dividend Record—

	1936	1935	1934
Pref.: Earned†	$0.57	$0.79	$0.58
Paid	.30+.15*	.30+.30*	.30+.30*
Com.: Earned*	0.27	0.49	0.28
Paid	0.10	....	...

†Earnings calculated before making provision for arrears in preferred dividends.
*Before provision for arrears but after full preferred dividends for the period.
*Paid on account of arrears.

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1930*	466,934	44,999	170,354
1931†	634,894	104,998	249,680
1932	715,973	134,997	391,287
1933	713,152	164,997	510,197
1934	585,944	179,997	503,721
1935	550,028	179,997	388,163
1936	401,974	164,997	393,980

*Year ended Jan. 3, 1931.
†Year ended Jan. 2, 1932.

Market Record—

	*1937 H	*1937 L	1936 H	1936 L	1935 H	1935 L
Common	6¾	2½	5½	4¼	5	5

*To Oct. 14.

Eat It Three Times A Day For Energy

Your body needs an abundant daily supply of energy food to keep you in good health and full of pep and vigor.

"BUTTER-NUT" bread is a rich and economical source of energy. By serving "BUTTER-NUT" with each meal you can provide a whole family with abundant supplies of energy for a few cents a day. And eating "BUTTER-NUT" is a delightful way to stock up with energy. It's "Rich as butter, sweet as a nut."

CANADA BREAD
COMPANY, LIMITED
"The Quality Goes In Before The Name Goes On"

Pure Foods
Purveyed in
Province-wide Distribution

THROUGH a process of constant striving for betterment in supply sources, in handling, in refrigerating, in packaging and in delivery, we have built up an efficient organization and an enviable name in Ontario and elsewhere.

This Company now serves daily more than 100,000 homes in the Province as well as countless merchants, cafes, restaurants and institutions.

Its relations with producers, customers and employees are of the happiest.

The following products are sold under the name —

Silverwood

Safe Milk — Jersey Milk — "Homo" Milk — Table and Whipping Cream — Buttermilk — Ice Cream — Evaporated Milk — Cheese — Creamery Butter — Powdered Milk — Condensed Whole and Skim Milk — Buttermilk Powder — Eggs — Ice Cream Sundries — Dressed Poultry — Soda Fountain Supplies — Frozen Eggs

SILVERWOOD DAIRIES, LIMITED

OPERATING PLANTS AT—

LONDON, TORONTO, WINDSOR, CHATHAM, BRANTFORD
HAMILTON, KITCHENER, ST. CATHARINES, PETERBOROUGH, ELMIRA
LUCKNOW, CARGILL, STRATFORD, SARNIA, WOODSTOCK
GUELPH, CAYUGA, NORTH BAY, SUDBURY

Hunt's Ltd.

First Half of 1937 Shows Improvement — Four New Stores Opened

Hunt's Ltd. has reported sales of $627,496 for the first 24 weeks of 1937, compared with $506,965 for the corresponding period of 1936. Net profits for the 1937 half year were $21,335, before depreciation, as against $3,957 for the same period of 1936.

Business is reported by H. W. Hunt, president, as improving in every department in 1937 and the company has prepared for a considerable increase in business for the balance of the year. During the first half of 1937, four new stores were opened, one in Ottawa and three in Toronto. The management plans to extend air-conditioning to all its retail stores.

The company retails confectionery, ice cream and baked goods which are made in its own bakeries. It also operates tea rooms, restaurants and a catering service. The large "Savarin" Restaurant in Toronto is operated by Hunt's as a hotel with license to sell beer and wine.

Capitalization—

	Authorized	Outstanding
Class A	100,000 shs.	18,656 shs.
Class B	15,000 shs.	15,000 shs.

No par value.

Dividend Record— Classes A and B—None at present. $1 per annum paid in 1929 and 1930; increased to $1.40 Apr., 1931; decreased to $1 July, 1932, and to 50 cents Apr., 1933; deferred July, 1935; none since. Bonus of 50 cents per share paid Jan., 1930, and Jan., 1931.

Subsidiary— Modern Properties, Ltd.—Formed in 1930 to take over property on Bloor St. near Yonge St., Toronto. Wholly owned.

Head Office—65-67 Walker Ave., Toronto.

Officers and Directors— Officers—H. W. Hunt, pres. and man. dir.; L. K. Hergert, sec.-treas. Directors—H. W. Hunt, J. A. Young, J. H. Ratcliffe, L. K. Hergert, all of Toronto; H. S. Spicer, Hamilton.

Earnings per Share and Dividend Record—

Classes A & B:	1936	1935	1934
Earned	d$1.07	d$1.19	d$0.51
Paid	nil	nil	0.50

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1930	138,897	50,484	251,072
1931	102,965	47,118	172,691
1932	50,041	37,021	135,047
1933	39,230	16,832	106,967
1934	33,069	16,832	71,316
1935	12,556	......	31,311
1936	17,443	......	*4,655

*Deficit.

Market Record—

	*1937 H	*1937 L	1936 H	1936 L	1935 H	1935 L
Class A	19	11	19	4¼	11	3
Class B	18	11¼	20	6	11	3

*To Oct. 13.

David et Frere

Sales Show Increase of 15% in 1937 to Date

Operations of David et Frère, Montreal biscuit and confectionery manufacturers, have shown an improvement in the current year, sales being about 15% higher than in 1936. As a result, it is expected the company will show a net profit for the first time since 1930. In fact, present indications are that net profit will be in excess of $25,000. In 1936 a deficit of $237 was reported.

During 1936 the company improved its position, reducing the deficit from $35,026 in 1935 to $237. Furthermore, working capital at $127,421 was higher than in the previous year. Inventories were increased from $39,906 to $61,972, but this was offset by an increase in bank loans from $8,000 to $25,000.

Capitalization—

	Authorized	Outstanding
Class A non-cum.	23,000 shs.	23,000 shs.
Class B	23,000 shs.	22,000 shs.

No par value.

Funded Debt— None.

Dividend Record— Class A—None at present; $2.25 paid regularly from Sept. 15, 1928 to June 15, 1931; reduced to $1 per annum, Sept. 15, 1931; passed March 15, 1932; none since. Class B—None paid.

Head Office—Montreal.

Officers — De Gaspe Beaubien, pres.; Henri Merrill, vice-pres.; L. R. Philie, gen. mgr.

Directors—De Gaspe Beaubien, Henri Merrill, George O. Soucie, Emilien Gadbois and F. A. Beique, all of Montreal.

‡Earnings per Share & Dividend Record—

	1936	1935	1934
Class A: Earned	d$0.01	d$1.52	d$0.41
Paid	nil	nil	nil
Class B: Earned	d2.26	d3.77	d2.66

None paid.

‡Before provision for income tax.

Seven Years Earnings—

Year	Earnings $	Dividend. $	Surplus $
1930	103,127	51,570	160,212
1931	‡13,157	37,400	71,001
1932	15,686	......	54,266
1933	11,913	......	34,564
1934	21,785	......	25,047
1935	‡3,278	......	‡9,979
1936	18,657	......	‡10,216

‡Loss or deficit.

	*1937 H	*1937 L	1936 H	1936 L	1935 H	1935 L
Class A	5¾	4	4	2	4	1¾
Class B	½	½	1¼	½	1	½

*To Oct. 13.

United Dairies

United Dairies Ltd. controls 28 creameries and distributing depots in Alberta and British Columbia. Net profits were $44,958 for the year ended March 1, 1937, equivalent to $4.65 a share on the 6½% first preferred.

Dividends on the first preferred are being paid at the reduced rate of $4 a share and accumulated arrears were $18.75 a share at Jan. 2, 1937. On the second preferred arrears were $33 a share at the same date.

Dairy Corp. of Canada owns 5,000 common shares, or 10% of the capital, but does not control the company. Dividend requirements on the preferred are around $45,000 a year but earnings have been considerably below this level for some time.

Capitalization—

	Authorized	Issued
1st pref. 6½%	$1,000,000	$752,200
2nd pref. 6%	400,000	400,000
Par $100.		
Common, n.p.v.	50,000 shs.	50,000 shs.

Funded Debt— None.

Dividend Record— 1st preferred — Entitled to 6½% p.a. cumulative, payable Jan. and July 2; paid regularly to July 1, 1932; 2% paid Jan. 1, 1933; 1% Jan. 2, 1934; $1.75 July 2, 1934; 1% paid July 23, Nov. 15, 1935, Feb. 15, June 1 and Dec. 1, 1936. Arrears as at Jan. 2, 1937, $18.75 per share. 2nd preferred—Entitled to 6% cumulative, payable Jan. and July 2; none paid. Arrears at Jan. 2, 1937, $33 per share. Common—None paid.

Head Office—Calgary.

Officers and Directors— T. M. Carlyle, pres.; D. Morkeberg, vice-pres.; E. Richardson, sec.; W. N. Henderson, E. T. Love, J. T. Burns, H. A. Howard, Mrs. J. W. Carlyle, R. W. Ward.

Citizens Dairy Ltd.

Citizens Dairy Ltd., owns and operates dairies in Belleville, Whitby, Havelock and Tweed, Ont. Its products are distributed through its own sales department.

Capitalization—

	Authorized	Outstanding
Pref., par $100	$300,000	$72,000
Common, n.p.v.	10,000 shs.	3,900 shs.

Dividends— Preferred—7% cumulative, payable quarterly. None since March, 1929.

Funded Debt— None.

Head Office—237 Coleman St., Belleville, Ont.

Officers— H. W. Ackerman, pres.; R. Templeton, vice-pres.; H. J. Clarke, man. dir.

Ogilvie Flour

Report Expected to Show Little Change in Earnings — No Further Talk of Split in Common Shares

Ogilvie Flour Mills' financial statement for the year ended Aug. 31 will make its appearance toward the end of the month. While there has been no official intimation, indications are that the report will be somewhat along the lines of Lake of the Woods Milling, which shows a moderate decline in income due to the increasing cost of doing business.

Conditions in the export market during the past year have not been too favorable to the Canadian millers. Competition was keen and the volume small. Sales in the domestic market are reported to have held up well, but prices were somewhat less stable.

At the last annual meeting of Ogilvie Flour Mills, the suggestion was made that the company's common stock should be split. J. M. McConnell, president, stated that the directors had not considered the matter but he could see the advantage of such a development. So far there has been no action along this line.

Capitalization—

	Authorized	Outstanding
Pref. 7% cum.	$2,000,000	$2,000,000
$100 par.		
Common, n.p.v.	75,000 shs.	75,000 shs.

Preferred is not callable.

Funded Debt— None.

Dividend Record— Preferred—7% cumulative, payable 1st Mar., June, Sept. and Dec.; paid regularly since 1902. Common — Present rate $8 per annum, payable 1st Jan., Apr., July and Oct. Bonus also paid on common from 1916 to 1930, excepting 1921; no bonus since.

Subsidiaries— Ogilvie Grain Co. Seaforth Milling Co., Ltd. Glenora Securities Inc. Consolidated Bakeries of Canada, Ltd.

Head Office—Montreal.

Officers—J. W. McConnell, pres.; R. R. Dobel, vice-pres.; G. A. Morris, gen. mgr.; J. C. McLaughlin, treas.; H. K. Hepburn, sec.; H. Cranfield, asst. sec.-treas.

Directors—Sir Montague Allan, G. A. Morris, R. R. Dobell, Sir C. B. Gordon, Sir Herbert S. Holt, E. B. Hosmer, J. W. McConnell, Beaudry Leman, Montreal; S. T. Smith, Winnipeg; F. K. Morrow, Toronto.

Earnings per Share and Dividend Record—

Year end. Aug. 31:	1936	1935	1934
Pref.: Earned	$46.54	$37.17	$37.34
Paid	7.00	7.00	7.00
Com.: Earned	10.55	8.05	8.09
Paid	8.00	8.00	8.00

Seven Years Earnings—

Year	*Earnings $	Dividends $	Surplus $
1930	1,127,436	1,115,000	3,157,149
1931	755,149	740,000	3,172,298
1932	744,936	740,000	3,177,235
1933	747,771	740,000	2,179,556
1934	746,749	740,000	2,186,305
1935	743,498	740,000	2,189,803
1936	930,824	740,000	2,310,628

*After depreciation and bond interest.

	*1937 H	*1937 L	1936 H	1936 L	1935 H	1935 L
Com.	300	175	254	199⅞	201	140
Pref.	168	150	170	152	152	130

*To Oct. 14.

Robinson Cone

Robinson Consolidated Cone Co., manufactures ice cream cones, sandwich wafers and also paper specialties such as cups, soda straws and cartons for packing.

Earnings have fluctuated considerably, but a dividend rate of $1 a share has been maintained. Prior to 1932, the dividend rate was $1.50 a share.

The principal business is in ice cream cones and capacity of the plant is five million cones a week.

Capitalization—

	Authorized	Outstanding
Common, n.p.v.	99,100 shs.	54,984 shs.

Funded Debt— None.

Dividend Record— Present rate, $1 per annum, payable Jan., April, July and Oct. 1; $1.50 per annum paid regularly from Oct., 1928, to July, 1932; reduced to present rate Oct., 1932. Bonus of 25c. per share paid Jan. 1. 1930.

Head Office—145 McNab St. N., Hamilton

Officers and Directors— John Moodie, pres.; Port Nelson, Ont.; J. F. McDonagh, vice-pres.; E. M. Fletcher, sec.; F. K. Morrow, J. F. Lash, G. L. Leitch, Toronto; R. R. Barber, Chatham; Ont.; J. W. Silcock, Montreal.

Subsidiary— Consolidated Wafer Co., Ltd., Toronto. Charter being surrendered.

Earnings— For the fiscal year ended Sept. 30, 1936, operating profit amounted to $28,207; net profit after depreciation, administrative expenses, etc., $9,870. Net profit in previous year was $19,272.

Dairy Corporation

Bank Loans Complicate Current Position and Affect Payments on Securities

The position of Dairy Corp. of Canada is involved with its bank loans. President J. A. Calder, in the latest report says: "It is to be hoped that in the not too distant future a means of eventually disposing of them may be arranged."

Current assets last March totalled $353,000 against current liabilities of $812,000. These current liabilities consisted largely of notes, and interest to banks totalling $617,337, and overdrafts of $6,381.

The company has been earning its interest before depreciation, but is not in a position to pay cash on its debentures. Consequently, shareholders and debenture holders have approved payment of the interest for 1936, 1937 and 1938 in class A shares.

Controlled companies carry on retail dairy businesses in Toronto, Winnipeg, Regina, Saskatoon and Edmonton. Dairy Corp. is no longer in charge of Mount Royal Dairies, Montreal, and has no further liability in connection with this company. City Dairy, Winnipeg, has been reorganized and has improved its plant materially which is expected to aid earnings. Shares of subsidiaries, including those of the main company, Canada Dairies, Ltd., Toronto, have been deposited as collateral security for bank loans and Dairy Corp. is, therefore, not in a position to draw freely on earnings of subsidiaries.

In 1936, a plan was formulated for consolidating the various companies, and simplifying the capitalization, but owing to the banking position, the proposals were never completed.

Capitalization—

	Authorized	*Outstanding
Class A, n.p.v.	75,000 shs.	50,316 shs.
Class B, n.p.v.	75,000 shs.	31,800 shs.

*As at Mar. 31, 1936; including 14,567 class A and 2,000 class B shares held by subsidiaries.

Dividend Record— Classes A and B—None paid.

Funded Debt— 6% s. f. gold debs., due 1954, outstanding $636,000.

In June, 1936, approval was given to payment of interest in class A stock instead of cash on basis of one class A share for each $3 of interest due July 1, 1936, and during 1937 and 1938. Company unable to pay in cash; current bank loans more than $500,000.

Subsidiaries— City Dairy, Ltd. Purity Dairy Products, Ltd.—Engaged in wholesale and retail milk business in Saskatoon, Sask. Dairy Corp. owns all common stock. Edmonton City Dairy, Ltd. The Prairie Creameries, Ltd.—Regina, Sask. Owned outright. The Purity Dairy, Ltd.—Regina, Sask. Controlled by Dairy Corp. Canada Dairies, Ltd.—Toronto. Controlled by Dairy Corp.

Head Office—Toronto.

Officers and Directors— Officers—J. A. Caulder, pres. and man. dir.; R. A. Daly, vice-pres.; H. W. Tasker, sec.-treas. Directors—J. A. Caulder, R. A. Daly, W. S. Sewell, W. P. Fess, R. N. Bryson, H. C. Stapells, Toronto; G. E. Gibbard, Napanee; E. H. Tanner, H. W. Tasker.

Cons. Income & Deficit Account Years Ended March 31

	1937 $	1936 $
Total income	179,860	203,707
Less: Bank interest	28,935	31,700
Mortgage interest	1,432	1,438
Depreciation	93,775	86,360
Prov. for taxes	12,825	17,113
Dairy Corp. deb. int.	39,252	9,778
Subsid. int. & div.	49,099	51,186
Prov. for divd. arrears on sub. pref. stock	1,861	......
Loss on disposal of fixed assets	1,474	......
Net profit	*48,793	6,132
Less: Prev. Deficit	139,675	147,242
Pr. yrs. inc. taxes	3,088	......
Reduct. in bk. val. of fixed assets	56,492	......
Adjusts. from reorg. of City Dairy Ltd., Winnipeg	33,872	......
Val. of Ont. Purity Dairy stock	7	......
Add: Pr. year adjust.	......	1,435
Trans. from sundry res.	5,994	......
Deficit forward	275,933	139,675

*Loss.

EDMONTON CITY DAIRY
(Controlled by Dairy Corporation)

Capitalization—

	Authorized	Outstanding
Pref., par $100	$1,000,000	$778,800
Common, n.p.v.	30,000 shs.	30,000 shs.

Dairy Corp. owns over 5,200 pref. and over 29,400 com. shares.

Dividend Record— Preferred—Entitled to 6½% cumulative, payable 1st Jan., April, July and Oct.; paid regularly from April 1, 1929, to Oct. 1, 1936; $1.25 paid Jan., April and Oct. 1, 1937. Common — Initial dividend of $1 per share for 1929 paid Jan. 2, 1930; none since.

Head Office—Edmonton.

Officers and Directors— W. W[…] Prevey, pres.; F. J. Reynolds, asst. gen. [...]r. & sec., Edmonton; J. A. Caulder, [...]e-pres., Toronto; F. Bottomley, treas.; H. P. Madsen, W. A. Thompson, Edmonton; Chas. Burnell, North Edmonton.

CITY DAIRY, LTD., of Winnipeg
(Controlled by Dairy Corporation)

Capitalization—

	Authorized	Outstanding
Class B com., n.p.	5,000 shs.	3,000 shs.

All owned by Dairy Corp. of Canada, Ltd.

Changes in Capital Stock— In Oct., 1936, holders of class A preferred shares agreed to accept in exchange $25 principal amount of new 6% general mortgage bonds for each share held.

Dividends— None paid on either class A or class B stock.

Funded Debt— Reorganization—At meeting held Oct. 23, 1936, 6% first mortgage series A and B bondholders agreed to the following changes: interest rate to be reduced from 6% to 5% and to be payable April and Oct. 1; maturity dates to be extended to Oct. 1, 1956; sinking fund payments in default since 1933 to be waived, and future payments to be $20,000 annually commencing Oct. 1, 1942. Bondholders also approved issuance of $100,000 prior mortgage bonds to finance merger with Purity Ice Cream Ltd. and subsequent improvements to plant, and $107,175 6% general mortgage bonds junior to both issues.

5% prior mtge. serial, due 1937-41, issued $100,000; 5% 1st mtge. s. f. series A, due 1956, outstanding $221,700; series B due 1956, $186,500; 6% gen. mtge., due 1956, authorized, $107,175, issued in exchange for class A preferred shares outstanding.

Head Office—Winnipeg.

Officers and Directors— Officers—J. A. Caulder, pres.; D. H. Ross, vice-pres.; R. J. L. Ball, gen. mgr.; Max McCrea, sec.-treas. Directors—J. A. Caulder, Toronto; D. H. Ross, E. W. Kneeland, W. E. Milner, Harry Strange, E. W. McLean, R. J. L. Ball, Winnipeg.

Exports of Flour Meet Resistance

Stiff Competition for Canadian Millers—Total Declining

While flour exports from Canada were larger in September than in the previous month there is a very considerable drop from any September in the last four years. The steady decline in this commodity this year, of course, is attributed to the fact that the present high premium on Canadian wheat puts domestic millers at a distinct disadvantage with competitors in the foreign field.

Continental European and British mills which use only a small quantity of Canadian high priced wheat for mixing with lower priced grain from United States and other parts of the world are underselling Canadian millers in Great Britain, Cuba, the West Indies and Newfoundland. A decade ago Canadian flour exports ran over 10 million barrels per year. Present trend indicates an annual total of much less than half this amount. Recently higher prices for flour have partly offset drop in volume, but last month's figures in this regard are not so encouraging.

Wheat exports, of course, have dropped considerably as a result of a small crop this year and because of liquidation of the previous heavy carryover in 1936.

Details are as follows:

Flour Exports

	Quantity barrels	Value $	Aver. export Price $ c.
Sept.			
1934	369,320	1,452,148	3.932
1935	395,640	1,489,257	3.764
1936	378,318	1,599,748	4.229
1937	306,655	1,855,488	6.051
Aug., 1937	286,608	1,780,717	6.17
12 mos. end. Sept.:			
1934	5,203,201	18,415,342	3.539
1935	4,741,103	18,109,740	3.820
1936	4,972,761	20,321,950	4.087
1937	4,354,882	23,861,401	5.479

Wheat Exports

	Quantity bushels	Value $	Aver. export Price $ c.
Sept.:			
1934	17,588,359	15,322,967	0.871
1935	17,272,672	14,669,993	0.849
1936	20,720,316	20,582,258	0.993
1937	5,903,060	7,507,277	1.272
Aug., 1937	6,544,967	9,098,765	1.39
12 mos. end. Sept.:			
1934	174,212,726	127,627,014	0.733
1935	151,047,832	122,510,256	0.811
1936	234,926,277	199,338,697	0.849
1937	145,428,603	173,573,910	1.191

CANADA'S CENTURY

SPARKS FOLLOWED the ringing sound of a hammer driving the final spike. Then came a shout from the little knot of men bending over the shining steel rail which was now fixed in place. East and West had been welded into one Dominion by our first transcontinental railroad.

The glowing prosperity which would kindle from these sparks was being predicted by Sir Wilfrid Laurier: *The twentieth century will be the century of Canada.*

Klondyke gold, Sudbury nickel deposits, copper, asbestos, silver and great stands of timber advanced our prosperity as the frontiers advanced. In the camps and along the right of way of a second railroad to the Pacific, pioneers were glad to have a new kind of preserved milk, condensed at the Ontario plant Borden started in 1902 at Ingersoll.

Dairying boomed and since 1910 the value of dairy production has nearly doubled. Borden service has grown to include distribution of fluid milk and ice cream in Montreal, Toronto, Ottawa, Hamilton, The Border Cities and Niagara Falls. Borden butter and fine cheeses, as well as condensed, evaporated, malted and powdered milks, are familiar Canadian foods at home and abroad. We are proud to do our modest bit for Canada's Century.

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The spirit of service can never grow old. Through the years HINDE & DAUCH have been motivated by a keen desire to serve . . . a quality product economically produced . . . sincere co-operation . . . square dealing . . . prompt delivery . . . these are but a few of the reasons why H & D corrugated shipping boxes are in continuous demand by the country's leading manufacturers.

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MAGIC BAKING POWDER

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MAGIC SODA

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Manufactured and distributed by

STANDARD BRANDS LIMITED

Operating Canada's Largest Fresh Food Delivery System

Distillers Corp. Earnings Gain

Earned $3.95 a Share on Common Stock in 1936-37 Year

From Our Own Correspondent

MONTREAL. — Distillers Corp. — Seagrams Ltd., reports a net profit equivalent to $3.95 a share on its common stock for the year ended July 31 last. This compares with earnings of $2.41 a share in the previous fiscal year.

Sales for the year were about $21.3 millions higher than in the 1935-36 fiscal year and gross profit was up $4.8 millions. Increases in selling and general expenses and other items, however, reduced the margin so that net profit available to the common stock was only $2.6 millions higher.

Provision for income and profits taxes was increased from $907,000 to over $2 millions and $775,000 was provided to cover damage done to materials and equipment by the flood in the eastern United States last spring.

Depreciation Totals $825,749

Provision for depreciation is shown at only $130,205, but actually $825,749 was provided. Of this amount, $695,544 was charged to cost of production. In the previous year total depreciation provided amounted to $546,599.

Although earnings, after providing for preferred dividends amounted to $6.8 millions, no dividends were paid on common. Expenses charged to surplus account in connection with the $15 millions issue of 5% preferred stock sold a year ago totalled over $1 million.

Profits Down In Last Quarter

In the last quarter of the year, sales increased by $3.8 millions over the corresponding period of last year, amounting to $18.2 millions. Expenses, however, were also up and special write-offs in connection with U. S. flood damage and loss in investments reduced net profit for the quarter to $1,414,873, a decline of $76,483. Provision for income tax for the three months was only $8,298, compared with $236,874 in the three months ended July 31, 1936.

The balance sheet as at July 31, 1937, is not available as yet.

Income and Surplus Account
Years Ended July 31

	1937 $	1936 $
Sales	81,872,168	60,585,916
Less: Cost of goods sold	57,722,446	41,204,063
Gross profit	24,149,722	19,381,853
Add: Misc. income	107,970	107,561
	24,257,692	19,489,414
Less: Sell., & gen. exps.	12,713,656	11,565,893
Directors' fees	2,000	1,000
Exec. salaries	319,366	294,035
Legal fees	188,029	237,573
Interest	523,820	431,839
Depreciation†	130,205	118,063
Loss on assets sold	70,172	......
Loss on investa.	73,286	......
Flood loss	775,293	......
Tax provision	2,017,627	907,350
Special price allow.	......	1,724,987
Net profits	7,444,258	4,208,674
Less: Pref. divds.	562,500	......
Surplus for year	6,881,758	4,208,674
Add: Prev. surplus	16,854,325	14,154,739
Less: U. S. tax claim	......	1,500,000
Legal costs	......	125,000
Stock issue expense	1,096,339	......
Add: Inc. tax adjust.	......	115,913
Balance forward	22,639,744	16,854,325

†Total provision for depreciation in 1936-37 fiscal year amounted to $825,749 of which $695,544 was charged to production. In 1935-36 fiscal year depreciation of $428,536 was charged to production.

Saint John Cargo Tonnage Records Sharp Increase

From Our Own Correspondent

MONTREAL. — Cargo passing through the port of Saint John during September totalled 161,915 tons, made up of 89,262 tons of imports and 72,653 tons of exports. These figures represent a sharp increase over the same month last year, when imports totalled only 46,792 tons and exports 47,166 tons.

Cumulative returns for the first nine months of this year show total cargo movement of 1,753,032 tons, made up of 974,139 tons of imports and 778,893 tons of exports. For the same period of the previous year there were 819,643 tons of imports and 657,005 tons of exports, for a total of 1,476,648 tons.

St. Lawrence Flour Reduces Goodwill

From Our Own Correspondent

MONTREAL.—Shareholders of St. Lawrence Flour Mills at a meeting here on Oct. 15 approved a by-law authorizing directors to write down the book value of goodwill, as shown by the balance sheet, to the nominal value of $1. This is a reduction of $930,223. The book value of the common stock is to be reduced by the same amount, that is, to $269,-777.

Shareholders were informed that business since the close of the last fiscal year has been better than anticipated, but that results may not be as good as those shown for 1936-37.

Tourist Imports Up 25 Per Cent

Nearly $2 Millions in Clothing Brought In Duty Free

From Our Own Correspondent

OTTAWA.—Under the $100 exemption allowed Canadian tourists returning from foreign countries, goods to the value of $4,112,439 have been brought in duty free during the six months ended Sept. 30 last. The total represents an increase of 25% over the corresponding period of last year. It is revealed through official statistics made available by the Department of National Revenue.

Some $3,512,384 worth came from the United States. As classified by the Department of National Revenue, the principal items and their amounts—with the United States total given in brackets, were:

Clothing, $1,999,607 ($1,715,534).

Boots and shoes, $395,687 ($377,-822).

Furniture and household appliances, $377,733 ($348,248).

Radios, $300,757 ($299,221).

Automobile tires and tubes, $52,-712 ($52,382).

Automobile accessories, $46,180 ($46,096).

Miscellaneous items, $939,763 ($673,081).

Figures for September show a total importation of $1,004,801, as compared with $761,995.

Walker's Net Rises 34.5%

Earns $8.29 a Share But Increase in Last Quarter Smaller

Preliminary statement of Hiram Walker-Gooderham & Worts Ltd. for the year ended Aug. 31, 1937, shows net profits equivalent to $8.29 a share on 724,004 common shares outstanding, against $6.56 a share on 660,000 common shares for the preceding year. Net profit for the 1936-37 fiscal year totalled $6.5 millions compared with $4.8 millions in the year ended Aug. 31, 1936. Dividends of $2 a share were paid in the latest year compared with $1.50 in the previous period.

A note attached to the income account shows that dividends received in Canada by the parent company out of earnings of subsidiaries will be subject to income tax. Based on present income tax schedules, further taxes on distribution of earnings for the quarter ended Aug. 31, 1937, are calculated at $43,000. To date such taxes would amount to $795,000, of which $222,000 would apply on earnings for the year ended Aug. 31, 1937. No provision has been made for this since such taxes may never be incurred or required.

Net profits for the three months ended Aug. 31, 1937, were equivalent to $1.60 a share on the common against $1.54 for the corresponding quarter of 1936.

34.5% Increase

For the full year ended Aug. 31, 1937, the company's net profits increased 34.5% but the increase for the last quarter was only 11.6%. Each quarter of the fiscal year ended Aug. 31, 1937, has shown an increase in net profits over the corresponding quarter a year earlier, but this increase has been progressively smaller.

Earnings statements for the years ended Aug. 31 and for the three months ended on the same date compare as follows:

Earnings Statement
Years Ended August 31

	1937 $	1936 $
Operating profit	8,851,626	6,418,353
Add: Other income	412,284	299,534
Total income	9,263,910	6,717,887
Less: Depreciation	678,187	591,065
Debent. int.	381,116	247,790
Prem. on debs. red.	56,563	......
Bank interest	107,937	115,548
Income taxes	1,576,474	967,364
Net profit	6,463,633	4,796,120
Less: Pref. divds.	460,818	460,818
Bal. avail. for common	6,002,815	4,335,302

Quarterly Earnings
Three Months Ended August 31

	1937 $	1936 $
Operating profit	1,964,795	1,625,362
Add: Other income	170,964	49,738
Total income	2,135,759	1,675,100
Less: Depreciation	194,581	144,260
Debenture int.	83,100	92,068
Prem. on debs. red.	47,920	......
Bank int.	48,371	30,394
Income taxes	485,387	274,134
Net profit	1,276,401	1,134,244
Less: Pref. divds.	115,204	115,204
Bal. avail. for common	1,161,196	1,019,040

McCormick's Reduces Number of Directors

MONTREAL.—McCormick's Ltd., formerly Canada Biscuit Co., has taken out supplementary letters patent reducing the number of directors from nine to five. A by-law covering this change was approved by the shareholders

Int.-City Western

Business Volume Holding and Working Capital Maintained

Dollar volume of business and working capital position of Inter City Western Bakeries at present remains much the same as it was a year ago. During the year ended Jan. 30 last, the company reported a net profit of $117,194 compared with $84,336 in 1936. After providing for a full year's interest and depreciation of $50,000, there was a net loss of $61,337, as against $90,764 the year before.

Since the company failed to meet its interest obligations, the bondholders' protective committee, which has taken charge, has paid two coupons. It would now appear that the company is in a position to pay at least one coupon a year. So far there are no indications of a reorganization.

Capitalization—	Authorized	Outstanding
Pref., par $10	$390,000	$390,000
Com., n.p.v.	200,000 shs.	*130,000 shs.

*Over 88% owned by Lake of the Woods Milling Co.

Funded Debt—
6½% 1st mtge. S. F. bonds, series A, due 1950, outstanding $1,456,200. Interest due May 1, 1933, was not paid and the default on this and subsequent coupons lasted until May 1, 1936, at which time the coupon due May 1, 1933, was honored; and April 1, 1937, the coupon due Nov. 1, 1933, was honored; to date, subsequent coupons are still in default. As at Jan. 30, 1937, bond interest accrued and in arrears amounted to $354,949.

Dividend Record—
Preferred — 6% per share per annum, cumulative from May 1, 1930, payable half-yearly, May and Nov. 1. None paid to date.
Common—None paid to date.

Head Office—666 Elgin Ave., Winnipeg.

Officers and Directors—
Officers — H. Mackay, pres.; M. A. Thomson, vice-pres.; W. R. Grant, gen. mgr. and sec.-treas.; J. A. Weldon, asst. sec.-treas.
Directors — T. Cull, J. B. Faulkner, Winnipeg; H. Mackay, M. A. Thomson, E. G. Smith, W. C. Pitfield, Montreal.

Times Bond Interest Earned—

Years ended:	Jan. 30 1937	Feb. 1 1936	Feb. 2 1935
After other int. & before deprec.	0.88	0.57	0.27
After other int. & after deprec.	0.35	0.04	nil

Earnings per Share and Dividend Record—

Preferred: Earned	d$1.57	d$2.33	d$3.09
None paid.			
Common: Earned.	d0.68	d0.88	d1.11
None paid.			

Seven Years Earnings—
Years ended Jan. 31

Year	Earnings $	Dividends $	Deficit $
1931	105,299	......	54,334
1932	86,819	......	121,905
1933	47,567	......	257,237
1934	25,541	......	374,017
1935	25,983	......	494,507
1936	53,890	......	589,270
1937	82,862	......	653,000

Quinte Milk Prod.

Quinte Milk Products Ltd., Wellington, Ont., manufactures and sells casein, milk sugar and albumilk in addition to ordinary dairy products.

The company was reorganized this year. The former 1,500 shares of 7% preferred, with arrears of 45½%, were exchanged into new common, 20 shares for one preferred. The 6,000 old common shares were exchanged, share for share, into new common. The result is that the capital outstanding has been simplified into one issue of 36,000 common shares.

Foreign Business

United States Chamber of Commerce summarizes foreign business as follows:

Poland — Industrial production continues to advance with the index for August at the highest level since 1929; the failure of exports to increase correspondingly has resulted in an adverse balance of trade.

China — Trade through Hong Kong in August was far above last year's figures, with further gains expected owing to diversion of shipments from Shanghai, although a slight recovery of production and of consumption of electric power is reported at Shanghai, activity is still far below normal; the Szechwan Provincial Government has invited Shanghai industrialists to transfer equipment and production to that area.

Philippine Islands—Plans for constructing electric railways in Mindanao, the large southern island, have been abandoned, but a road construction programme is being formulated.

Viau Ltd.

Company Is Now Paying Preferred Dividends Regularly

Operations of Viau Ltd., Montreal biscuit manufacturer, show improvement. Gross earnings in the year ended Jan. 31, 1937, amounted to $509,521 as compared with $448,690 in the previous year, and net profit $43,888 as compared with $25,104.

Working capital increased during the year by over $20,000 to $424,524 despite the company's programme of improvement to plants, machinery and buildings, and absorption of federal sales tax.

Revision of capital structure during 1936 strengthened the position of junior securities by liquidating arrears of dividends on first preferred and eliminating the second preferred. As a result the company was able to resume quarterly dividends on its 5% first preferred.

Capitalization—	Authorized	Outstanding
Com., n.p.v.	100,000 shs.	44,920 shs.
1st pfd. cum. 5% $100 par.	$1,500,000	$946,000

Funded Debt—
6½% gen. mortgage bonds, due 1946; outstanding $309,300.

Dividend Record—
First preferred—Entitled to 5% per annum, payable quarterly, Jan., April, July and Oct. 1. Initial payment of $1.25 per share made April 1, 1937.
Common—None paid to date.

Head Office—Montreal.
Officers—Theophille Viau, chm.; J. Edouard Labelle, pres.; Albert Hudon, vice-pres.; A. Robitaille, sec.
Directors—Theophille Viau, A. Hudon, A. Robitaille, J. A. Lemieux, J. E. Labelle, G. Perron, C. Geoffrion, Montreal.

Times Bond Interest Earned—

Yr. end. Jan. 31:	1937	*1936	1934
After other int. & before deprec.	6.16	5.38	3.84
After other int. & deprec.	3.92	2.11	2.06

*13 months ended Jan. 31.

Earnings per Share and Dividend Record—

	1937	1936	1935
1st pref. (new): Earned	$4.64	....	....
None paid.			
Common (new): Earned	*d0.08	....	....
None paid.			
1st pref. (old): Earned	....	$2.65	$2.40
Paid	....	nil	nil

*After allowing for full year's dividends on the first preferred stock.

Seven Years Earnings—
Yr. end. Jan. 31:

Year	Earnings $	Dividends $	Surplus $
1930	315,467	102,900	110,798
1931	218,784	102,900	87,800
1932	56,763	50,680	2,940
1933	52,868	......	*32,611
1934	106,458	......	*67,357
1936	†135,276	......	*197,701
1937	139,719	......	43,114

†13 months ended Jan. 31.
*Deficit.

Market Record—

	†*1937 H	†*1937 L	1936 H	1936 L	1935 H	1935 L
Com.	8	2	3¼	1	2	1
1st pref.	60	40	65	18	20½	12

*To Oct. 13. †New.

Toronto Dairies

Toronto Dairies Ltd. is a co-operative organization controlled by producers and consumers. Organized in March, 1931, it acquired Oakvale Dairies and later secured the Jersey Island Dairy. Operations are chiefly in the eastern areas of Toronto.

Capitalization—	Authorized	Outstanding
Pref., par $10	$500,000	$103,000
Com., n.p.v.	50,000 shs.	50,000 shs.

Dividends—
Preferred—7% cumulative, payable Mar. and Sept. 15; paid regularly to Sept. 15, 1932; passed Mar. 15, 1933; none since.
Common—None paid.

Funded Debt—
None.

Head Office—661 Gerrard St. E., Toronto.

Officers and Directors—
W. A. Dryden, pres., man. dir.; Geo. E. McCann, sec.-treas.; Thos. A. Murphy, Fred W. Hambly, Dr. G. Hyland, Toronto.

Maple Leaf President Says Millers Handicapped

Premiums for cash wheat above the levels of current options contribute to the difficulties of the Canadian milling industry this year, D. Campbell MacLachlan, president of Maple Leaf Milling Co., informed shareholders at the annual meeting. He also referred to the wide spread between Winnipeg and Chicago prices as a disadvantage for Canadian mills that are equipped to handle substantial export business.

The subsidiary, Eastern Bakeries Ltd., Saint John, N.B., this year earned and paid its own preferred dividend, he stated. The 3¼% rate is guaranteed by Maple Leaf.

Mr. MacLachlan said that recent labor trouble at Port Colborne, Ont., had been settled satisfactorily. American unions plan to organize in the Canadian milling industry, he added.

$9 Millions Profit in Year For Ontario Liquor Board

Ontario Liquor Control Board earned a profit of $9 millions from sales of $20.7 millions in the fiscal year ended March 31, 1937. In the previous fiscal year profits were $7.9 millions from sales of $18.5 millions.

These figures do not include beer sales from warehouses but only revenue from sales over the counter and by mail from the various stores. The complete auditor's report, which will be released some time early in 1938, will include further details such as gallonage of liquor and beer.

Profit from liquor store sales was $5.9 millions with the balance of $3.1 millions coming from miscellaneous sources such as brewery license fees, beer gallonage tax, fees from authority holders and sale of liquor purchase permits.

Operating expenses were $1.7 million, practically unchanged from the preceding year. Salaries and wages paid to the board's 830 employees totalled $1 million. Percentage of administrative costs to total sales was reduced from 9.39% to 8.30%.

Including the profit for the year the board reports a total surplus of $10.5 millions.

B. C. Power Corp. Earnings Higher

Earns 46.8 Cents a Share on "A" Stock in First Quarter

From Our Own Correspondent

MONTREAL.—Earnings of British Columbia Power Corp. continue to improve, profits available for the class A stock in the first quarter of the current fiscal year amounting to 46.8 cents a share, compared with 43.9 cents a share in the same period of last year. The company is now paying a quarterly dividend of 50 cents a share.

The improvement is due to higher operating revenues and to lower bond interest charges. In the month of September gross earnings increased by $62,638, but this is largely offset by an increase in operating expenses of $61,960.

Comparative figures are given below:

Earnings Statement
Three Months Ended Sept. 30

	1937 $	1936 $
Gross earnings	3,685,148	3,605,079
Less: Oper. exps.	2,634,592	2,532,725
Int. & pref. divd.	581,702	632,702
Bal. for A stock	468,854	439,912

Month of September

	1937 $	1936 $
Gross earnings	1,234,222	1,171,584
Less: Oper. exps.	867,409	805,449
Int. & pref. divd.	193,900	209,148
Bal. fo A stock	172,913	156,987

Chicoutimi Pulp Mill Reopening Under Review

From Our Own Correspondent

MONTREAL.—Negotiations have been reopened with the Provincial Government with a view to re-establishing pulp and paper operations at Chicoutimi, where the mills of Quebec Pulp and Paper Corp. have been idle for some years. According to Premier Duplessis, the Government has since received two additional offers.

Shawinigan Net is Down

Moderately Off in Third Quarter — Returns to Date Well Ahead

From Our Own Correspondent

MONTREAL.—While gross earnings of Shawinigan Water and Power Co. were well maintained during the third quarter of 1937, net income was somewhat less owing to an increase in general expenses, including taxes.

During the past three months the company had a gross income of $3,546,571, as against $3,566,980 for the same period last year. The major items of expense all show an increase compared with last year's returns, which more than offset the decline in fixed charges. The surplus, before depreciation and income taxes, totalled $892,095, compared with $1,010,739 a year ago.

Surplus Forward $892,095

Comparative figures on earnings for the third quarter of 1937 and 1936, respectively, follow:

Statement of Revenue and Expenses
Three Months Ended Sept. 30

	1937 $	1936 $
Gross revenue	3,546,571	3,566,980
Expenses:		
General, operat. and maintenance exps.	809,671	765,518
Power purchased	480,988	449,337
Water rentals	108,965	106,334
Taxes & insurance	250,956	198,899
Res. for exchange	6,000	25,000
Net operating revenue	1,889,991	2,021,892
Fixed charges	958,111	971,471
Amort. of bond prem. discount & expense	39,785	39,682
Surplus before deprec. and income taxes	892,095	1,010,739

Cumulative returns for the first nine months of 1937 show a gross revenue of $10,943,972. This contrasts with $10,225,469 a year ago, for the same period. Expenses at $4,-855,275, show an increase of about $320,000, leaving net operating revenue of $6,088,696, as against $5,690,-084. After providing for fixed charges, an amortization of bond expense, there remained a surplus, before depreciation and income tax, of $3,095,056. This compares with $2,658,370 for the same period in 1936.

Comparative figures for the nine months follow:

Nine Months Ended Sept. 30

	1937 $	1936 $
Gross revenue	10,943,972	10,225,469
Gross expenses:		
General, operat. and maintenance exps.	2,438,041	2,217,533
Power purchased	1,357,548	1,326,307
Water rentals	326,026	310,036
Taxes & insurance	715,661	606,509
Res. for exchange	18,000	75,000
Net operating revenue	6,088,696	5,690,084
Fixed charges	2,874,286	2,929,868
Amort. of bond prem. discount & expense	119,354	101,846
Surplus before deprec. and income taxes	3,095,056	2,658,370

Quebec Timber Cut On Large Scale This Year

From Our Own Correspondent

MONTREAL.—Timber cut in Quebec's forests this season will total 450 million cubic feet, or 3.5 million cords, according to an estimate prepared by the Deputy Minister of Lands and Forests. In the St. Maurice Valley region the cut is expected to reach 19 million feet; in the Quebec district, Anglo-Canadian Pulp and Paper Co. will cut approximately 44 million feet.

Production in the seven other forestry regions is estimated as follows: Gaspe, 60 million cubic feet; Lake St. John, 90 million cubic feet; Montreal, 25 million; Ottawa and Temiskaming, 61,150,000; North Shore, 45 million; Abitibi, 13 million and Temiscouata, 20 million cubic feet.

With an approximate 51,000 woodsmen finding employment in the various shanties this season, there may be a shortage of lumberjacks in some localities.

Obituaries

Hon. Simon Fraser Tolmie, product of a Vancouver Island farm, whose political career brought him first the portfolio of agriculture in the Federal Government and later the premiership of British Columbia died last week. During his 20 years in politics he was only once defeated at the polls. He entered the House of Commons in 1917 after the "conscription" election and when Sir Robert Borden resigned in 1920 became minister of agriculture in the Meighen cabinet. In 1926 he left the post of organizer of the Federal Conservative party to lead the British Columbia party and in the election of 1928 was returned as premier. He was defeated in the 1933 election in an attempt to lead a unionist Government. In 1935 he returned to the federal house as member for Victoria. He was a graduate of the Ontario Veterinary College, Toronto.

• • •

Charles Honore Catelli, founder and former president of Catelli Food Products Ltd., died last week, aged 88. He retired from business in 1910. Mr. Catelli was president of the Montreal Chamber of Commerce in 1906 and 1907. He was honorary representative of Canada at the International Exposition at Milan in 1906. He was a native of Vedano-Olona, Italy.

• • •

Harold Kennedy, retired lumber dealer, who came to Canada 55 years ago from Liverpool and became a prominent figure in the business life of Quebec province, died last week at his Quebec City home. During the Great War he gave a large house in Bromley, Kent, to the Canadian Government to be used as a convalescent home for Canadian soldiers. Before his retirement 10 years ago he had been a director of the Bank of Montreal and at one time president of Johnson's Asbestos Co. and Thetford Mines, Que. He was a member of the Mount Royal Club, the Bruno Country Club and the Royal Montreal Golf Club. Mr. Kennedy was in his 77th year.

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Week in Wheat

Declines in Wheat Considered Small

Good Performance in Face of Stock Market Slump Indicates Minimum Speculative Interest — Supplies Short for Early Delivery

From Our Own Correspondent

WINNIPEG.—This week's heavy declines in the stock market caused some weakness in wheat, but on the whole so small as to suggest that current prices are not largely based on speculative interest. In futures the later months continue to show more weakness than the near-by, May, for instance, running seven cents under October. Cash wheat continues to command high premiums.

While the Argentine market showed a decline of nine cents a bushel in a single day, this was not regarded as the result of any improvement in the prospects of the new crop through rains, but rather to the easing of a tight technical situation in old crop wheat.

Canadian country marketings are very light, with most of the Manitoba and Saskatchewan crop already delivered, and Alberta interrupted by continued wet weather.

More rains in Saskatchewan and Alberta have added to moisture reserves. In many parts of the former drought areas farmers feel that the soil already carries sufficient reserves to ensure some sort of a crop next year even if growing season is dry.

Premiums For Canada

The high premiums on the world markets of No. 1 Northern are not artificial, based on any undue holding, but represent rather the keen bidding of markets overseas for the limited quantities of such wheat as are available. The situation illustrates the fact that overseas millers can afford to pay very hig premiums, as a small amount enables them to use with satisfactory results much larger quantities of other wheats. At Liverpool the cheapest wheat available is Rumanian, which last week was quoted there at approximately $1.17 per bushel. Concurrently No. 1 Northern from Canada at Liverpool was selling at $1.67. Russian wheat and Canadian hard winters were almost on a parity, at 10 cents a bushel over Rumanian wheat, or 40 cents a bushel under No. 1 Northern. Australian wheat was 26 cents under the top Canadian grade, and Indian 34 cents, while speculative offers of Argentine wheat were being made for January and February shipment, at 42 cents under the going price for No. 1 Northern.

It is also remarkable that No. 1 Northern at Liverpool was selling at 37 cents a bushel over No. 3 Northern, while the normal differential is less than 10 cents a bushel, and is frequently less than 8 cents. To give another relationship, No. 1 Northern was commanding a premium of 20 cents at Winnipeg over the October future.

The extraordinarily high value placed on No. 1 Northern is thus not expressed in the quotations for futures, nor is it the result of speculation. Exporters, to satisfy the demands of overseas customers, are buying, not only all the No. 1 Northern reaching terminal elevators, but also are offering to contract ahead for all the elevator companies can deliver. The elevator companies in turn are willing to make such contracts as protection on the high premiums for No. 1 Northern they pay in the country.

* * *

World Prospects

Rains during the past week have improved crop prospects in Australia to some extent. Argentina has also had rains but these have been predominantly in districts not suffering from drought. With 140 millions put as a reasonably probable crop for Australia, the total export surplus expected from the southern hemisphere is about 220 million bushels, with a possibility of its running under 200 millions. But errors in estimates of even harvested crops are possible. Australia has already shipped more wheat this season than was thought to be available, and it is obvious that there was an underestimate, either of last year's crop or of the carryover from the preceding crop.

* * *

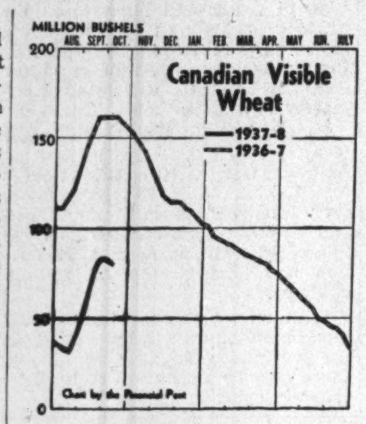
U. S. Crop Outlook

The United States winter wheat crop for 1938 is thought to be off to a bad start. Dry weather over a good deal of Kansas either prevented seeding of full acreage intended, resulted in failure of germination, or has provided an unsatisfactory stand on germinated crops. Prospects are sufficiently impaired to make a bumper wheat crop unlikely. If, in the spring, the outlook for winter wheat is unsatisfactory, it would result in less prospective export surplus, and the market would tolerate the existence of a greater carryover in the United States than would otherwise be the case.

* * *

Adjusting Prices

Buying for export of United States hard winter wheats is now proceeding more rapidly than some weeks ago, a fact which is expected to lend greater stability to grain markets on this continent. For a time such wheat was regarded as being too expensive abroad to take the place of filler wheats in millers' mixes, and of not carrying sufficient quality to enable it to carry large quantities of cheaper wheats. But it has been evident that an adjustment must be reached on prices. European needs for quantity could hardly be satisfied without some considerable purchases from the United States, while at the same time that country has a considerable surplus which must be exported.



PASSED THE PEAK

With export sales steadily maintained at about two million bushels weekly and country deliveries now declining as farmers have marketed the bulk of their new crop, Canadian stocks of wheat in selling positions are declining. Peak accumulation seems to have been around 75 million bushels, reached about a fortnight ago. This compares with about twice as much last year. Details in bushels are as follows:

Visible Supplies		
Oct. 15	Week Previous	Last Year
73,266,000	74,135,000	159,573,000
Export Clearances*		
Oct. 15	Week Previous	Last Year
1,915,124	2,585,059	4,251,886

*Plus U. S. imports.

Employees Accept Wage Board Award

Winnipeg Electric Has Not Made Known Its Attitude

From Our Own Correspondent

MONTREAL.—Employees of Winnipeg Electric Co. have voted to accept the majority report of the federal conciliation board which proposes that the company should restore 1929 wage cuts over a three-year period. The board also recommended a 44-hour week.

W. C. Hamilton, the company's representative on the board, opposed the restoration. No announcement has been made by the company as to whether it will accept the recommendation of the Board. It is possible that there will be further negotiations between the company and its employees.

W. C. Hamilton, in his minority report, claimed that the financial position of the company was not taken into consideration. Increased wages would affect the company adversely. During the first seven months of the current year the company reported a deficit of $24,330 after depreciation and bond interest. During the remaining months of the year earnings will probably be even less satisfactory as the company's contract with the Winnipeg Hydro expired on Sept. 1.

Value of Securities Drops $723 Millions

From Our Own Correspondent

MONTREAL. — Securities listed and traded on the Montreal Stock Exchange and Montreal Curb Market declined in value by $723 millions during September, total value at the end of the month being $7,682 millions. Compared with the end of September, 1936, the decline in value amounted to $263 millions.

All classifications registered losses from the previous month and the aggregate loss was the greatest for any month since April last when a decline of $1,062 occurred.

Excluding bonds the total value of all stock traded amounted to $5,571 millions, a decrease of $698 millions from the previous month.

The ratio of brokers' loans to the market value of all stocks traded was 0.47, compared with 0.62 in August. This is the lowest ratio reported since October, 1936.

Commodities

Price Range

	Latest week	Previous week	Same week last yr.
Cattle	$10.00	$10.00	$5.75
Hogs	9.85	10.25	8.75
Copper, lb.	.13	.13	.09¾
Cotton, lb.	.0862	.0830	.1242
Rubber, lb	.1613	.1681	.1647
Sugar, raw, lb.	.0315	.0315	.0335
Silk, lb.	1.74½	1.70	1.73
Wheat, Man. (bu.)	1.44½	1.37	1.12¼
Coffee, lb.	.09	.09⅛	.08
Hides	.13½	.13½	.11½
Weekly Indices			
N. Y. Annalist	91.9	92.9	84.8
Fishers'	89.5	89.8	83.8
N. Y. Journal of Comm.	86.1	85.5	81.6
Crumps (Brit.)	80.6	81.1	72.5
U. S. Labor	87.3	87.5	81.5
Canada (D.B.S.)	84.8	85.2	76.7

Monthly Indices

	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (Sept.)	83.4	83.6	81.9
W'sale (Sept.)	85.2	85.6	76.4
U. S. (Aug.)	87.5	87.9	81.6
Gt. Brit. (July)	111.5	110.6	93.6

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price, Toronto: Copper-electrolytic, New York; Silk—Japanese, 13-15 New York; Sugar — 96 degrees centrifugal c/f New York; Wheat—No. 1 Man. North, Ft. W.-Pt. A. Basis: Hides—No. 1 packer light native cows; Hogs—select bacons, Toronto.

Listed Bonds

Week Ended Oct. 18

	Int. rate	Due	High	Low	Range 1937 High	Range 1937 Low
Mtl. L. H. & P. Debs.	3	'39	50½	..	50½	50½
Abitibi	5	'53	74½	..	74½	74½

PIERCE-ARROW STRESSES SAFETY

Builders of these big luxury cars have aimed at maximum safety both within and without. The result is 1938 models with stronger and quicker brakes and reserve vacuum tank for the sane, new lighting system for night driving, and a chassis frame with box girder side members.

Outstanding mechanical feature is an improved automatic overdrive which cuts in between 40 and 45 miles an hour, and reduces the ratio of the engine's speed from approximately 4½ revolutions to one to a little over 3¼.

Board Approves N. S. Power Rates

May Make Complete Survey of Halifax Rates at Later Date

From Our Own Correspondent

MONTREAL.—Nova Scotia Public Utilities Board has given interim approval to a new schedule of electric rates for the city of Halifax submitted by the Nova Scotia Light and Power Co.

The new rate schedule, the company estimates, will mean a saving of $44,500 annually to domestic customers and $16,500 to commercial lighting customers. In the domestic rate, the reduction will be approximately 13% and in the commercial rate 5.4%.

Claim Rates Too High

Although the new schedule involves a reduction in rates, representations were made by the city of Halifax that the company's rates are "unreasonable and unfair." The city claims, on the basis of valuation, the rates of the electric light department to be high and that earnings have been higher than the 8% allowed by the Public Utilities Act.

In approving the schedule of rates, the board stated that on the evidence submitted it was unable to determine whether the rates are proper or not and indicated that a complete investigation may be made at a later date. The decision states that "before the matter can be finally settled the board considers that it must have proper facts and figures as to the value of the electrical department of the company, its operating costs and full figures regarding its rates."

Canadian Cottons Mill Reopened

From Our Own Correspondent

MONTREAL.—The Stormont mill of Canadian Cottons Ltd. at Cornwall resumed operations on Oct. 18 following a shut-down of three days caused by the refusal of 12 employees in the filling department to continue work on a piece-work basis.

The Stormont mill employing about 650 persons on day and night shift is one of three Canadian Cottons' mills at Cornwall.

The request of these employees, according to the company, is contrary to established custom in Canada and U. S., where such workers are always paid on a piece-work basis. Furthermore it was a violation of the agreement made with the company and the Ontario Government to abide by the findings of the Ontario Industry and Labor Board.

Edmonton May Enlarge Airport Accommodation

Prospect of expansion of facilities at the Edmonton airport has brightened with decision of the city council to consult the electors on the subject Nov. 10. A money by-law will be submitted for approval to sanction expenditure of $35,000 for a new hangar and other facilities at the airport.

Councillors were advised that the present hangar was inadequate to accommodate present and anticipated air traffic in and out of Edmonton. Business leaders and aviation company officials reported steadily increasing business, both in traffic to mining areas and on the route to Whitehorse, Yukon, inaugurated last summer as the first link in a U. S.-Alaska line.

Profits Drop Slightly For McIntyre Porcupine

For the six months ended Sept. 30, 1937, McIntyre Porcupine Mines showed a net profit of $2.20 per share, as compared with earnings per share of $2.24 for the same period of 1936. While gross production was slightly higher, operating expenses more than offset this increase.

Comparative figures for the two periods follow:

Quarterly Earnings
(Six Months Ended Sept. 30)

	1937 $	1936 $
Gross income	4,233,115	4,230,424
Oper. exps. incl. dtv.	2,092,333	1,977,409
Approp. for taxes	339,448	347,543
Depreciation	77,213	146,052
Net income	1,757,121	1,789,420
Earnings per Share:	$2.20	$2.24

Labor Department Gets Compensation Authority

Jurisdiction over the Ontario Workmen's Compensation Board, through which industrial employers in the province provide compensation to workers and their dependents for injury, disability and death, has been transferred from the Attorney-General's department to the labor department under its new full-time minister, Hon. M. M. MacBride. No special significance affecting employers is seen in the move. It is hoped, however, that the problem of compensation and the prevention of industrial disease and injury can be given closer attention, and dealt with in relation to other questions affecting the welfare of labor.

Merchants Get Alberta Cash

(Continued from page 1)

000,000. Last year, it was estimated at $157,000,000. The depression low was in 1933, when the total was $119,000,000. So the farmer in Alberta has more money this year. The season was not promising at first, but mid-July rains came at the right time, giving new life to all crops, and the frost threat was stayed until a rather later date than usual.

Stability in the dairy industry is indicated by available figures. Production of creamery butter will be about the same as in 1936. Up to Sept. 30, Alberta's output was 21,170,000 pounds, compared with 21,027,000 pounds in the same period of 1936. The year's total will be about 26,000,000 pounds, compared with the 1936 total of 25,491,000 pounds. Cheese production shows a 22% increase, being 1,415,000 pounds at Sept. 30, compared with 1,155,000 in 1936 at the same date. The income from dairying in 1937 will exceed the last year's total of $15.5 millions.

In hogs and meat packing, a decline is evident in Alberta for several reasons. Number of cars arriving at Edmonton stockyards in the first six months of this year was 1,234, compared with 1,479 in the first six months of 1936. The number of hogs in the same period was 32,636 this year, and 39,198 in 1936. Still, with better prices, hogs mean about $18 millions in income to Alberta farmers this year, compared with $17.5 millions in 1936. The 1937 figure will be almost double the figure for 1933.

Building at Standstill

Alberta's timber output will be about 80 million board feet this year, worth almost $1 million. Retail lumber firms report increased sales from 15% to 20%. At the same time, building of new homes is almost at a standstill in Alberta, and evidence points to the situation as a result of restrictive legislation. Not one loan has been made in Alberta under the Dominion Housing Act, though considerable repair activity in building is reported. The Home Improvement Plan has been largely responsible for this, indicating that the homeowner commands credit when he wishes to make repairs.

Building figures here for the first nine months of 1937 are given at $629,035, compared with $790,270 in the same period last year.

Taking values and transactions in real estate as an indicator, one finds a gloomy picture in Alberta. Demand for real estate is non-existent. Sales of urban lots are confined to tax sale properties. Land has no speculative value in the cities nor in the country. Hundreds of homes are encumbered with tax caveats.

The only person interested in farm land, it would appear is the farmer seeking land for his own use, and this class is extremely limited.

Rents, it might be pointed out, are steady, with a tendency to rise, and the seeker for accommodation in a city such as Edmonton finds a growing housing shortage, in many respects in an acute stage.

Amid the general picture of business conditions in Alberta, enquiries in business circles disclose clues to where the crop money is being spent. New life insurance business is ahead of 1936, but the insurance agent who was counting on an increase commensurate with the new purchasing power in the province, has been somewhat disappointed. At the same time, in the investment field, insurance presents a marked advantage to business in bonds and stocks.

In sale of farm machinery, an increase in business is reported, both in regard to parts and repairs and in new machinery. At the same time, collections of old accounts have been fairly good, both because the farmer appears anxious in most cases to preserve his credit standing in this connection, and because extensive individual adjustments have been made.

In regard to motor cars, the disappointment has been in the movement of used cars, a seeming anomaly because sales of new cars have been excellent in such centres as Edmonton. One observer suggested that "autos are like whisky," a man buys it when he has the money, but the expectation that renewed farm income would bring a clean-up of used cars was slow in materializing, to some extent because cashing in on the crop was proceeding slowly.

The sale of clothes is reported moving quickly in Alberta, where purchasing power must go into clothing in view of winter conditions. The spurt this year is laid to wearing out of clothing over recent years when purchasing power was at a lower ebb.

Some interest is reported in such lines as pianos, both new and used, indicating a tendency to buying goods more in the luxury than the necessity class.

The districts with new purchasing power in Alberta are clearly marked this year. Southwestern Alberta received returns of almost bumper proportions, while drought ravaged southeastern Alberta and extended far into east-central districts. The midsummer comeback of crops assisted central and northern Alberta, but in Peace River districts yields were reduced by drought.

Tax Collection Difficulties

In regard to tax collections, one comment recently described the municipalities in Alberta as "at their wits' end." Drastic efforts to collect taxes are reported among rural municipalities and the Provincial Government is also exerting pressure in the local improvement districts.

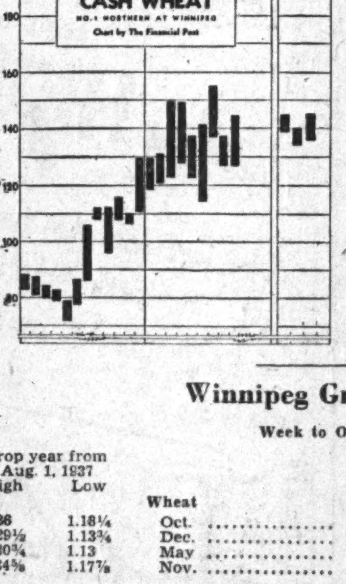
Movement of population appears to be at a standstill in Alberta. During 1937 the Canadian National Colonization Department has placed 56 families on farms in the province, and the Canada Colonization Association, 29 families of new settlers. The latter association, operated by the C.P.R., placed only 12 families last year.

About 40 families have moved from southern Alberta to northern districts, and no marked movement of drought refugees from Saskatchewan is recorded. The Immigration Hall in Edmonton has handled 199 persons this year, compared with 184 in 1936. Movement of population out of Alberta has been practically negligible, it is believed, though the movement of funds because of uncertainty concerning Government policy has been a different story.

An authentic case reported was of an individual who listened to Rev. N. B. James, M.L.A., who sometimes substitutes for Premier Aberhart at the Prophetic Bible Conference on Sundays, and went away to dispatch $30,000 of his moveable property out of Alberta the next day.

Also among trust companies, enquiries reveal, customers are found who have moved their bank accounts outside the province, but continue to use them. Thus cheques on outside accounts circulate in business channels.

Wheat Prices



(Cash Quotations)

	For Week Oct. 19 High	For Week Oct. 19 Low	Prev. Week High	Prev. Week Low
1 Man. Hard	144½	1.36⅜	1.40	1.34⅜
1 Northern	1.44½	1.36⅜	1.40	1.34⅜
2 Northern	1.35	1.30⅜	1.36½	1.29⅞
3 Northern	1.16⅜	1.13⅜	1.20¾	1.14½
4 Northern	1.12⅛	1.07⅞	1.15	1.08⅜
5 Wheat	1.08⅛	1.02⅞	1.10½	1.04⅜
6 Wheat	1.00⅛	.96⅞	1.02½	.96⅜
Feed Wheat	.82½	.79⅜	.82½	.76⅜
Vancouver: Week to Oct. 18:				
1 Northern	1.30	1.25½	1.32⅞	1.26¾

Competitive Export Prices:

Oct. shipments:	Week to Oct. 19 High	Week to Oct. 19 Low
No. 1 North. (Atlan.)	1.70⅛	1.63¾
No. 3 North. (Atlan.)	1.42½	1.37⅝
Australian	1.41¾	1.37⅝
Indian (new crop)	1.34	1.31½
U. S. Hard Winters	1.29⅜	1.26¾
Argentine (Rosafe)*	1.33	1.23
Rumanian	1.19	1.17¾
Russian†	1.27⅞	1.26¾

*New crop, Jan.-Feb. †Oct.-Nov.

Winnipeg Grain Futures

Week to Oct. 19, 1937

Crop year from Aug. 1, 1937 High	Crop year from Aug. 1, 1937 Low		Close Oct. 13	High for week	Low for week	Close Oct. 19
		Wheat				
1.36	1.18¼	Oct.	1.23	1.25	1.18¼	1.20⅞
1.29½	1.13¾	Dec.	1.18¾	1.19¾	1.13¾	1.15¾
1.30¾	1.13	May	1.18⅜	1.18⅞	1.13	1.14¼
1.34⅝	1.17⅞	Nov.	1.22¼	1.24⅜	1.17⅞	1.20½
		Oats				
.55¾	.43¾	Oct.	.52½	.54⅜	.50¼	.52¼
.51⅝	.40¼	Dec.	.49⅜	.49⅞	.46½	.47¾
.51	.42½	May	.47¼	.48½	.45⅜	.46¼
		Barley				
.67½	.54¾	Oct.	.63½	.64⅜	.60⅞	.62¼
.65⅞	.52½	Dec.	.60⅞	.62⅜	.59½	.60⅜
.64½	.53¼	May	.60¼	.61¾	.58	.59¼
		Flax				
1.80¾	1.72¾	Oct.	1.74	1.78¼	1.74	1.77½
1.80¼	1.72	Dec.	1.73½	1.78	1.73¼	1.76¾
1.82	1.74	May	1.75	1.79	1.74	1.79
		Rye				
.93½	.78	Oct.	.84¼	.84¾	.78	.78
.95	.77½	Dec.	.83	.84	.77½	.77½
.95⅝	.78⅞	May	.84	.85⅝	.78⅞	.79

A Distinguished Reputation

The Millers of Purity Flour have built a Canada-wide reputation on the sound foundation of Quality. By the most exacting test of all—the goodwill of housewives and bakers throughout Canada—this Company has held its leading position for over thirty years.

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Best for All Your Baking
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JAMES RICHARDSON & SONS Limited
WINNIPEG REGINA — MONTREAL MOOSE JAW — VANCOUVER SASKATOON — TORONTO CALGARY — KINGSTON EDMONTON

Government Bonds

Dominion of Canada Bonds

Oct. 20, 1937				Bid	Asked	Approx. Yld.
2	15	Nov.	'39	100.60	101.10	1.47
2½	15	Oct.	'39	101.50	102.00	1.48
4	15	Oct.	'39	104.25	104.75	1.58
1½	1	June	'40	99.25	99.75	1.60
4½	1	Sept.	'40	106.00	106.75	2.15
1	15	Mar.	'41	97.00	97.50	1.78
5	15	Nov.	'41	109.25	109.75	2.47
3	15	Oct.	'42	103.00	103.50	2.25
2½	1	June	'43	100.50	101.00	2.30
5	15	Oct.	'43	110.75	111.50	2.90
4½	15	Oct.	'44	109.00	109.75	2.95
▪2½	15	Aug.	'45	98.25	99.00	2.64
4	15	Oct.	'45	105.25	106.00	▲2.90
4½	1	Feb.	'46	109.25	109.75	3.16
3¼	1	June	'49	99.50	100.25	▲3.21
3½	15	Oct.	'49	101.00	101.50	▲3.28
4	15	Oct.	'52	105.00	105.75	▲3.32
3	1	June	'55	95.25	96.00	3.31
4½	1	Nov.	'56	108.50	109.25	▲3.30
4½	1	Nov.	'57	108.50	109.25	▲3.40
4½	1	Nov.	'58	109.00	109.60	▲3.44
4½	1	Nov.	'59	109.25	109.90	▲3.48
▪3¼	15	Jan.	'61	96.75	97.50	3.40
3¼	1	June	'66	97.50	98.00	3.35
↓3	Perp. bds.			86.00	86.50	3.47
Dominion Guaranteed Bonds						
Canadian National Railway:						
3	1	May	'44	100.75	101.75	2.70
3	15	Dec.	'50	93.75	94.75	3.40
3	15	Feb.	'53	94.50	95.50	3.37
*4½	1	Sept.	'51	111.25	112.25	3.30
*4½	1	Feb.	'56	111.75	112.75	3.55
†4½	1	July	'57	111.25	112.25	3.63
*4¾	15	June	'55	114.25	115.25	3.50
5	1	Feb.	'54	115.00	116.00	3.70
*5	1	July	'69	114.50	115.50	▲3.10
*5	1	Oct.	'69	116.50	117.50	▲3.50
Provincial Government Bonds						
New Brunswick:						
4	1	Sept.	'54	99.00	101.00	3.92
†4½	15	Apr.	'61	103.00	104.50	4.20
†5	15	Jan.	'60	107.00	108.50	4.40
Nova Scotia:						
3	2	Sept.	'45	96.50	98.00	3.28
4½	15	May	'43	105.50	107.00	3.12
†4½	15	Sept.	'52	107.50	108.50	▲3.48
†5	1	Mar.	'60	115.00	117.00	3.86
Ontario:						
3	1	Dec.	'51	94.50	95.50	3.40
*4	1	June	'62	104.00	106.00	3.63
4½	1	June	'50	109.25	110.50	3.48
*4½	15	Jan.	'62	113.00	115.00	3.57
5	15	Oct.	'48	113.00	114.00	3.45
*5	2	Dec.	'60	117.50	119.00	3.77
5½	1	July	'46	115.00	116.50	3.31
Ont. Hydro Comm.:						
3½	1	Apr.	'47	100.50	102.00	3.25
4¾	1	Jan.	'70	115.00	117.00	3.83
Prince Edward Island:						
3	1	Oct.	'45	96.50	98.00	3.28
Quebec:						
4	15	Mar.	'52	104.50	106.00	3.47
4¼	1	Aug.	'58	107.50	109.00	3.63
4½	2	Jan.	'63	109.50	111.50	3.79
Alberta:						
4	15	Dec.	'54	50.00	53.00	§
†4	1	Dec.	'57	51.00	53.00	§
4½	1	Oct.	'51	58.00	63.00	§
†4½	1	Oct.	'56	53.00	56.00	§
†5	1	Jan.	'48	54.00	57.00	§
5	1	Sept.	'55	54.00	57.00	§
*5	1	Oct.	'59	55.00	57.00	§
†5½	1	Jan.	'47	58.00	60.00	§
6	1	Mar.	'47	62.00	65.00	§
British Columbia:						
†4	1	Dec.	'57	90.00	92.00	4.60
*4½	15	Jan.	'51	97.00	98.50	4.65
†4½	1	Oct.	'53	95.00	96.50	4.82
†5	15	Jan.	'48	99.50	100.50	4.94
5	1	Sept.	'53	99.00	100.00	5.00
5½	1	Feb.	'45	100.50	102.00	5.17
6	15	Feb.	'47	102.00	103.50	5.51
Manitoba:						
4	2	Jan.	'50	82.50	84.50	5.75
†4	1	Dec.	'57	83.00	85.00	5.20
†4½	15	Dec.	'56	85.00	87.00	5.60
†5	15	June	'54	92.00	94.00	5.55
*5	2	Dec.	'59	92.50	94.50	5.42
5½	1	Oct.	'55	94.00	95.50	5.91
6	1	Apr.	'47	98.00	99.25	6.10
Saskatchewan:						
4	15	Aug.	'53	61.00	63.00	8.19
4	1	Nov.	'60	60.00	62.00	7.49
*4½	2	July	'45	72.00	75.00	9.14
†4½	1	Oct.	'51	74.00	77.00	7.19
†4½	15	Mar.	'60	66.00	69.00	7.32
5	1	Aug.	'58	70.00	73.00	7.60
†5½	15	Nov.	'46	75.00	79.00	8.92
5½	1	Oct.	'52	72.00	75.00	8.48
6	15	Mar.	'52	75.00	78.00	8.70

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ▪Payable N.Y. ↓Callable on or after Sept. 15, 1966. §Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%.

Dividends Declared

	This payment	Date payable	Date of record
Assoc. Tel. & T., pf.	49c	Nov. 15	Nov. 1
Do., special	98c	Oct. 25	Oct. 11
Do., 6% pref.	42c	Nov. 15	Nov. 1
Do., special	84c	Oct. 25	Oct. 11
Amer. Cyan., A, B	$1	Nov. 28	Oct. 18
Ault & Wiborg, p.	$1.37½	Nov. 1	Oct. 15
Anglo-Can. Tel., p.	$1.37½	Nov. 1	Oct. 15
Brewers & Dist.	$1	Nov. 15	Oct. 15
Buff. Ankerite	12½c+10c	Nov. 15	Nov. 1
Beatty Bros., 1st pf.	$1.50	Nov. 1	Oct. 15
Can. Industries	$1.75	Oct. 30	Sept. 30
Can. Bronze	37½c	Nov. 1	Oct. 20
Do., pref.	$1.25	Nov. 1	Oct. 20
Commonwealth Int'l.	4c	Nov. 15	Oct. 15
Can. Inv. Fund, spcl. & ord.	5c	Nov. 1	Oct. 15
Coast Breweries	30c	Nov. 1	Oct. 12
Calgary Power, pf.	$1.50	Nov. 1	Oct. 15
Cons. Press, A	25c	Nov. 1	Oct. 15
Calgary & Ed.	5c	Dec. 15	Dec. 1
Can. Bk. of Comm.	$2	Dec. 1	Oct. 30
Can. Investors	10c	Nov. 1	Oct. 18
Deb. & Sec. Corp., p.	$5	Oct. 2	Sept. 25
Distillers-Seag., pf.	$1.25	Nov. 1	Oct. 20
Frost Steel, 1st pfd.	$1.75	Nov. 1	Oct. 16
Foundation Pete.	*	Nov. 20	Oct. 31
Guaranty of N. A.	$1.50	Oct. 15	Sept. 30
Do., extra	$2.50	Oct. 15	Sept. 30
Gurd, Chas., pfd.	$1.75	Nov. 15	Nov. 1
Hollinger Cons.	5c+5c	Nov. 4	Oct. 21
Humberstone Shoe	50c	Nov. 1	Oct. 15
Imp. Bank	$2.50	Nov. 1	Sept. 30
Inter. Nickel, pf.	$1.75	Nov. 1	Oct. 2
Inter. Metals, pfd.	$1.50	Nov. 1	Oct. 25
Inter. Utilities, pf.	$1.75	Nov. 1	Oct. 22
Do., $3.50 pfd.	87½c	Nov. 1	Oct. 22
Kelvinator, pfd.	$1.75	Nov. 15	Nov. 4
Kirk. Lake	6c	Nov. 1	Oct. 1
Loblaw Groc., A, B	25c	Dec. 1	Nov. 10
Do., extra	12½c	Dec. 1	Nov. 10
Macassa Mines	10c	Nov. 1	Oct. 15
Maple L. Gardens, pf.	50c	Oct. 15	Oct. 1
McIntyre Porc.	50c	Dec. 1	Nov. 1
Mtl. L. H. & Pr.	37c	Oct. 30	Sept. 30
Monarch Rylties	*	Nov. 27	Nov. 20
Nipissing M.	12c	Oct. 20	Oct. 5
North. Can. Mining	4c	Nov. 1	Oct. 1
Orange Crush, pf.	35c	Nov. 1	Oct. 15
Penmans	75c	Nov. 15	Nov. 5
Do., pref.	$1.50	Nov. 1	Oct. 21
Royal Bank	$2	Dec. 1	Oct. 30
Regent Knit., c.	†25c	Nov. 1	Oct. 15
Saguenay Pr., pf.	$1.37½	Nov. 1	Oct. 15
So. Can. Power, c.	20c	Nov. 15	Oct. 30
Steel of Can.	43¾c	Nov. 1	Oct. 7
Do., pref.	43¾c	Nov. 1	Oct. 7
Sullivan Cons.	2½c	Nov. 15	Oct. 30
St. Lawr. Flour, pf.	$1.75	Nov. 1	Oct. 20
Do., com.	25c	Nov. 1	Oct. 20
San Antonio Gold	7c	Nov. 5	Oct. 20
S. Am. Gold & Plat.	10c	Nov. 24	Nov. 9
Simpsons, pref.	$1.25	Nov. 1	Oct. 23
Simpson, Robt., pf.	3s	Nov. 1	Oct. 16
Toburn Gold	2+1c	Nov. 22	Oct. 22
Tor. Elevators, c.	$1	Oct. 30	Oct. 20
United Corp., A	‡75c	Nov. 17	Oct. 30
United Fuel, pf.	$1	Dec. 15	Nov. 30
Weston, Geo., pf.	$1.25	Nov. 1	Oct. 15
Wood, A. & J., pf.	‡$1.75	Nov. 1	Oct. 15

*Amount not yet set. ‡On arrears. †Interim.

Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines
Oct. 19	193,800	265,400	1,844,000
Oct. 18	101,000	124,000	775,000
Oct. 16	45,500	57,000	373,000
Oct. 15	89,600	134,600	811,000
Oct. 14	84,800	127,400	610,000
Oct. 13	65,900	76,700	580,000

Municipal Bonds

October 20, 1937

	Rate	Due	Bid	Ask.	Yld.
†Halifax	5	1961	109.50	111.50	4.23
Hamilton	5	1950	110.50	112.50	3.75
Montreal	5	1945	104.50	106.50	3.98
Ottawa	4½	1945	107.50	109.50	3.10
†Quebec	5	1959	104.00	106.00	4.57
Saint John	5	1950	106.00	108.00	4.22
†Toronto	4½	1955	110.00	112.00	3.57
†Vancouver	5	1950	88.00	92.00	5.91
Winnipeg	5	1944	98.00	102.00	4.64

†Payable Can. and N. Y.

A. J. PATTISON Jr. & CO. Ltd.
Established 1907
CORPORATION SECURITIES
Royal Bank — EL. 5101
TORONTO

STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

The following table is confined to official prices for listed stocks. Where no recent transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING OCTOBER 18

Range 1937 High	Range 1937 Low	Div. R'te $	Oct. 16 Y'ld %	Company	Sales	Last Oct. 11	Week end. Oct. 18 H	L	Cl'se
				A					
15½	2	.	...	Abitibi	20548	3⅞	4	2	2½
80	20	.	...	Do. pref. 6%	7229	34	33⅞	20	23
97	60	.	...	Do. pref. 7%	....	(35 bid 50 asked)			
79½	38	.	...	Do. cert. dep.	....	(34 bid — asked)			
6⅛	2½	10c	...	Acadia Sugar	20	.02½	.03	.03	.03
18½	9	50c	5.5	Acme Glove	....	(— bid 9 asked)			
94	75	6.50	7.7	Do. pref.	1	84	84	84	84
12	8½	60+30c	.	Agnew Surp.	105	10½	10½	10	10
110	103⅞	7	6.7	Do. pref.	....	(104 bid — asked)			
7	1⅞	.	...	Alta. Pac. Gr.	225	2	2	1⅞	2
43½	9	.	...	Do. pref.	160	10	10½	9½	10½
135	75	.	...	Aluminum	....	(70 bid 73 asked)			
130	130	6+7.75▲	.	Do. pref.	....	(120 bid 123 asked)			
7	4	.	...	Amal. Electric	....	(— bid 5 asked)			
31	25	.	...	Do. pref.	25	25	25	25	25
35⅞	29⅞	60c+$1	..	Amer. Cyn. B.	....	(— bid 43 asked)			
92	48	.	...	Asbestos	5537	58½	59½	48	48
16	8⅞	80c	6.4	Assoc. Brew.	241	13	13	8⅞	8⅞
111	106	7	6.4	Do. pref.	50	111	110	110	110
6½	6½	.	...	Assoc. T. & T.A.	....	(— bid 6½ asked)			
57	37⅞	1.68+84c.		Do. pref.	....	(— bid 42 asked)			
102½	100	5.50	5.5	Ault & Wiborg	....	(100 bid 101 asked)			
				B					
[illegible]									
				E					
8½	3	.	...	Enam. & Heat.	100	3	3	3	3
40	29	62½c	...	English Electric	9	38	33	29	33
16⅞	10		...	Do. (B)	150	12	12	12	12
8	5	.	...	Equitable Life	100	5½	5½	5½	5½
10½	7⅞	30c	...	European El. A.	....	(7 bid 8⅞ asked)			
.65	.65	.	...	Do. Warrants.	....	(.15 bid — asked)			
				F					
13	3½	.	...	Fairchild Air	1567	5	4½	4	4
35	24	.	...	Fam. Players	5	29	35	35	35
34	22	.	...	Do. Vot. Tr.	5	22	22	22	22
25½	18	75+25c	..	Fanny Farmer	4549	21½	21	18	18
10½	10		...	Fleet Aircraft	....	(— bid 7 asked)			
29⅞	15⅞	1	5.8	Ford Motors A.	8151	18½	18⅞	15⅞	15⅞
2.50	.95	.	...	For. Pr. Secs.	125	1.00	1.00	.95	1.00
31	11	.	...	Foundation Co.	1045	13	13½	12	12
50	15½	.	...	Fraser Cos.	1173	21	20	15½	15½
50	15	.	...	Do. Vot. Tr.	23080	21½	21½	15	15½
52	40	.	...	Freiman, pf.	....	(— bid 40 asked)			
11	6	.	...	Frost Steel	409	10	11	10½	11
109½	100	7	6.4	Do. pref.	100	108	109½	109½	109½
55⅞	40	.	...	Do. pref. (A)	....	(55 bid — asked)			
				G					
14	6	.	...	Gatineau Pr.	1980	8	8	6	6
76	59	.	...	Do. pref.	471	68½	67½	59	59½
18½	8	.	...	Gen. St. Wares	8435	10½	10½	9½	10
110	76		...	Do. pref.	....	(— bid 85 asked)			
97½	78	2.50+2.50		Goodyear Tire.	204	81½	82	78	78
57	52½	2.50	4.7	Do. pref.	47	53	53½	53	53½
26⅞	10	.	...	Gt. Lakes Pap.	1084	15½	15½	10	10½
53⅞	30	.	...	Do. pref.	2656	39½	39	30	30
5	5	.	...	Gt. W. Sadd. (N)	....	(2 bid 3 asked)			
40	20		...	Do. pref.	20	25	20	20	20
[illegible]									

Mining Stock Quotations

WEEK ENDED OCTOBER 18

Par Val.	Range 1937 High	Low	Company	Sales	Close Oct. 11 (or last)	High for week	Low for week	Close Oct. 18
1	.10½	.02	Afton	4,100	.02½	.02½	.02½	.02½
No	1.90	.53	Aldermac	57,065	.78	.73	.53	.53
1	.04⅞	.01	Alexandria	18,000	.01½	.01½	.01½	.01½
1	.26	.14	Amm. Gold	2,100	.18	.18	.16	.16
No	8.75	4.00	Anglo-Huronian	3,297	4.25	4.25	4.00	4.00
1	1.42	.26	Argosy	13,025	.34	.34	.26	.28
1	1.15	.20	Arntfield	10,700	.24	.27	.20	.20
No	.09	.02½	Arno	......	(.03 bid .... asked)			
1	.15	.05	Ashley	300	.06	.06	.06	.06
1	.27	.04½	Astoria Rouyn	37,500	.06	.06	.04½	.05
50c.	.16	.06	Aztec	......	(.... bid .07 asked)			
1	.49	.16	Bagamac	4,700	.21	.22	.19	.20
1	1.85	.53	Bankfield	15,916	.70	.70	.55	.55
1	.65	.15	Base Metals	8,600	.18	.20	.15	.16
No	1.75	.98	Beattie Gold	8,495	1.15	1.15	1.00	1.00
1	.65	.19	Beaufor	11,800	.20	.20	.19	.19
1	1.70	.38	Bidgood Kirk.	45,988	.53	.54	.40	.40
1	.72	.35	Big Missouri	7,200	.43	.43	.37	.39
1	.29	.10½	Bobjo	12,300	.13	.13	.10½	.11
1	1.14	.14	Bouscadillac G.M.	11,500	.17	.16	.14	.14
No	9.00	6.40	Bralorne	2,085	7.75	7.70	7.00	7.05
1	.15	.05	Brasil Gold	......	(.03 bid .07 asked)			
1	.21	.04½	Brett Trethewey	800	.05	.04½	.04½	.04½
1	.13	.03	Brownlee	3,100	.03½	.03	.03	.03
1	12.50	8.25	Buffalo Ankerite	2,913	10.37	10.50	9.75	9.75
No	.06⅞	.02	Buffalo Can.	4,000	.02⅞	.02½	.02	.02
5	30.00	20.00	Bulolo Gold	740	22.50	22.75	20.00	20.00
No	.23	.10	Bunker Hill	9,600	.13	.13½	.12	.12
No	2.30	.87	Can. Malartic	17,234	1.08	1.09	.97	.97
[illegible]								
1	1.25	.35	Omega	25,765	.44	.42	.35	.35
1	2.20	.85	Oro Plata	17,300	1.47	1.55	1.10	1.10
1	.30	.09	Osisko	500	.17½	.09	.09	.09
No	4.05	1.90	Pamour	28,764	2.85	3.15	2.50	2.50
1	1.10	.29	Pandora	8,650	.35	.37	.29	.30
1	.42	.09½	Parkhill	9,800	.12	.12	.09½	.09½
1	3.80	1.90	Pato Cons. G.	2,650	2.00	2.30	1.90	1.90
1	.41	.05½	Partanen Mal.	11,700	.07½	.07½	.05½	.05½
1	.06	.01½	Pawnee Kirk	2,000	.02	.01½	.01½	.01½
1	.46	.09	Paulore	6,700	.12	.12	.09	.09
1	1.38	.38	Paymaster	55,700	.48	.48	.38	.38
1	.35	.18½	Payore	10,100	.19	.20	.18½	.19
1	6.60	1.60	Pend Oreille	53,579	2.45	2.50	1.60	1.60
1	2.51	.70	Perron Gold	14,875	.82	.85	.70	.75
1	.03½	.01	Peterson Cobalt	1,500	.01	.01	.01	.01
1	9.20	4.25	Pickle Crow	14,465	5.10	5.10	4.65	4.65
1	6.85	3.15	Pioneer Gold B.C.	6,865	3.65	3.60	3.15	3.20
1	17.50	13.00	Placer Development	1,070	13.00	12.25	13.00	13.00
1	2.20	.75	Powell Rouyn	37,450	1.24	1.33	1.00	1.20
1	4.50	1.90	Premier Gold	7,750	2.05	2.10	1.95	1.95
1	1.47	.55	Preston E. Dome	30,305	.80	.81	.63	.63
No	2.00	1.05	Prospectors Air's.	1,430	1.15	1.25	1.10	1.10
1	.88	.27	Quebec Gold	1,100	.27	.36	.31	.36
No	.48	.07	Quemont	......	(.08 bid .16 asked)			
1	6.85	2.65	Read Authier	10,285	3.40	3.25	2.75	2.75
1	2.00	.20	Red Crest	9,400	.30	.30	.23	.24
1	1.78	.17	Red Lake	63,250	.26	.25	.17	.17
1	1.35	.72	Reno Gold	9,250	.80	.79	.76	.76
1	1.52	.30	Reeves McDonald	900	.50	.45	.30	.30
[illegible]								

OIL STOCKS

Par Val.	Range 1937 High	Low	Company	Sales	Close Oct. 11 (or last)	High for week	Low for week	Close Oct. 18
[illegible]								

VANCOUVER STOCK EXCHANGE

Par Val.	Range 1937 High	Low	Company	Sales	Close Oct. 11 (or last)	High for week	Low for week	Close Oct. 18
[illegible]								

OIL STOCKS

Par Val.	Range 1937 High	Low	Company	Sales	Close Oct. 11 (or last)	High for week	Low for week	Close Oct. 18
[illegible]								

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Oct. 19, 1937

Public Utility Issues	Int. Rate %	Due	Bid Oct. 19	Asked Oct. 19	Bid Oct. 12
†Assoc. Tel. & T.	5½	'55	69	73	77
▲Avalon Tel.	5½	'48	101	...	101
Beauharnois P.	5½	'73	49½	52½	59
‡Bell Telephone	5	'55	111	114	111½
‡Do.	5	'57	116	119	115½
B. C. Power	4½	'60	95	98	99
B. C. Tele.	4½	'61	103	106	104½
‡Calgary Pwr.	5	'60	90	94	92
‡Do.	5	'64	89	93	91½
†Can. Nor. Pwr.	5	'53	101½	104½	103
‡Dom. Gas & El.	6½	'45	77	80	78½
‡Gatineau Pwr.	5	'56	98½	101½	100½
‡Do., A	6	'41	96½	99½	98
‡Do., B	6	'41	96½	99½	98
Gt. Lakes Pwr.	4½	'56	93	96	93
‡Inter. Hydro-E.	6	'44	55	58	68½
‡Inter. Power	6	'57	95	99	97½
‡Do.	6½	'57	98	100	98½
▲Do.	6	'35	99	102	100
†Macl'n-Que. Pr.	5½	'61	98	99	98½
†Do.	5½	'64	95	98	98
Marit. T. & T.	4	'67	99½	102½	99½
†Mtl. Island Pr.	5½	'57	103	106	103½
†Mtl. L., H. & P.	3½	'56	99	102	99
†Mtl. Tramways	5	'41	100	103	100
†Do.	5	'55	74	78	76
Nfld. L. & P.	4½	'56	98	101	99
Nat'l Lt. & Pr.	6	'49	88	91	88
N. S. L. & Pr.	4	'57	97	100	98
†Ot'wa L. H. & P.	5	'57	103	106	103½
†Ottawa V. Pwr.	5½	'70	103½	106½	103½
†Power Corp.	4½	'59	97	100	97½
‡Que. Pwr.	4	'62	92½	95½	94
Saguenay P., B	4½	'66	98	102	100½
*Do., A	4½	'66	97	100	99½
†Shaw. W. & Pr.	4	'61	96½	99½	97½
†Do.	4½	'70	...	...	101½
†United Secs.	5½	'52	65	70	68
‡Wpg. Elec., A	4	'65	63	66	67½
‡Do., B	4	'65	50	53	55
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	62	65	79½
Acadia Sugar	4½	'55	99½	102½	100
B. A. Oil	4	'45	102	105	102
Brown Co.	5½	'46	69	72	80
Canada Bread	6	'41	107	110	107½
†Canada Cement	4½	'51	98	101	99½
†Canada Paper	4½	'52	96	99	96
Can. Steamship	5	'57	73	76	75½
Can. Canners	4	'51	98	101	98½
Can. Bakeries	6½	'45	99	102	99½
‡Can. Inter. Pap.	6	'49	93	96	99
C. P. R.	3½	'51	90	94	91
Do.	4	'49	94	97	96
Do.	4½	'44	98	101	99
Do., debs.	4 perp.		84	87	89½
†Can. Vickers	6	'47	87	90	89
†Consol. Paper	5½	'61	50	55	71½
Dom. Tar	4½	'51	98	101	99½
†Donnacona P.	4½	'56	75	78	78½
†Famous Players	4½	'51	92½	95½	94
†Federal Grain	6	'49	78	83	79
†Fraser Cos.	6	'50	101	104	102
†Gen. Steel W.	4½	'52	92	95	93
Great Lakes P.	5	'55	86	89	93½
†Gypsum, Lime.	5½	'48	96	99	99½
†Gr. Br. & Can. Invest.	4½	'59	74	78	76
Ham. By-Prod. Coke	5	'50	95	98	97½
†Inter. Paper	6	'55	75	80	87
Inter City Bak.	5½	'48	99	102	101
†Kingston Elev.	6	'50	93	96	94
Lake St. John P. & P.	5½	'61	96	99	99½
Do.	5	'61	65	70	73
†Lond. Can. Inv.	4½	'48	...	...	92½
†Massey-Harris	5	'47	91	94	93½
†McColl-Front.	6	'49	103	106	103
†Mersey Paper	6	'49	98	101	99½
‡M. & O. Paper	6	'45	...	...	54½
Nat'l Grocers	4	'47	99	...	100
Nor. Ont. Bldg.	6½	'39	94	97	95
†Price Bros.	5	'57	98	99	98
‡Prov. Paper	5½	'47	100	103	101
Queen's Hotel	6	'47	97½	100½	97½
†Restigouche C.	6	'48	97	100	98½
†Rolland Paper	4½	'51	102	105	102
Ruddy & Co.	6½	'48	98	101	98
†Simpsons Ltd.	4½	'51	91½	94½	94
†Smith, Howard	4½	'51	99	102	100½
†Steel of Canada	6	'40	109	112	109
Sterling Coal	6	'40	94	97	94
*Twin City	5½	'52	54	59	68½
United Amuse.	5	'56	97	100	97½
United Corp.	5	'53	94	97	94½
Unit. Grain Gr.	5	'48	74	79	75
Union Gas	4½	'50	95	98	97
Windsor Hotel	6½	'43	...	83	78
Do.	6	'47	...	43	39

‡Payable in Can. or U. S. †Payable in Can., U. S. or U. K. ▲Payable in Can. or U. K. *Payable in U. S. only.

Mining Dividends

	Rate	Close Oct. 18	Yield %
Anglo-Huronian	20c	4.00	..
Beattie Gold	5c	1.00	..
Bralorne	40c+35c	7.05	*10.6
Buffalo Ankerite	50c+22½c	9.75	*7.4
Bulolo Gold	‡1.50	20.00	7.5
Can. Malartic	†5c	.97	..
Cariboo	10c	1.40	7.2
Central Patricia	12c	2.00	..
Coniagas	12½c	1.75	..
Coniaurum	5c	1.00	..
Cons. Smelters	50c+$1	50.00	*3
Dome Mines	$4+$2	38.00	*15.8
Falconbridge	30c	5.10	5.9
Hollinger	65c+30c	11.25	8.5
Howey Gold	4c	.26	..
Hudson Bay	75c	19.00	..
Inter. Mining	45c	7.50	6.6
Inter. Nickel, com.	$2	41.35	4.8
Kerr Lake	5c	.37	..
Kirk. Lake	9c	1.05	..
Lake Shore	$4+$1	47.25	*10.6
Lava Cap. M.	10c	.81	..
Little Long Lac	30c	4.30	6.9
Macassa	20c	4.15	4.8
McIntyre	$2	32.75	6.1
McKenzie Red Lake	4c	.95	..
McKinley Sec.	5c	.40	..
Noranda	‡$1.75	42.00	4.2
Nor. Can. Mining	6c	.60	..
Nipissing	37c	1.75	..
Placer Develop.	‡60c	13.00	..
Premier	12c+4c	1.95	*8.2
Pioneer, B.C.	40c	3.20	12.5
Pickle Crow	40c	4.65	8.6
Reno	12c	.76	15.8
San Antonio	14c	1.35	..
Sheep Creek	8c+2c	.88	*11.4
Siscoe	20c+1c	2.76	*7.6
Sudbury Basin	†10c	2.50	..
Sullivan Cons.	5c	.92	5.4
Sylvanite	20c+5c	2.65	*9.3
Teck-Hughes	40c+5c	4.60	*9.8
Toburn	8c+1c	2.15	*4.2
Ventures	†12½c	4.55	..
Wright-Harg.	40c+30c	6.00	*11.7

‡Interim. †Initial.
*Yield includes bonus.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Oct. 19, 1937

Industrial Stocks:	Bid	Asked
Acadia Sugar, pfd.	4.20	4.75
Acme Farmers Dairy, pfd.	30.00	....
Algoma Steel, com.	7.00	8.75
Do., pfd.	50.00	55.00
Andian National	40.00	43.00
Barrymore Cloth, pfd.	25.00	28.00
Brandram-Henderson, com.	4.75	5.75
Do., pfd.	20.75	....
B. C. Pulp & Paper, com.	20.00	25.00
Do., pfd.	85.00	92.00
Burns & Co., A	7.50	8.75
Do., B	2.50	3.25
Can. Wire & Cable, pfd.	108.00	112.00
Can. Airways	3.50	4.25
Can. Industries, A com.	205.00	....
Can. Ingersoll Rand	115.00	125.00
Can. Tube & Steel, com.	7.00	8.25
Do., 1st pfd.	93.00	100.00
Do., 2nd pfd.	20.00	25.00
Can. Westinghouse	50.00	55.00
Chase, A. W., pfd. bonus	25.25	....
Claude Neon, pfd.	7.75	9.75
Conduits Nat., com.	3.75	4.25
Dominion Woollens, pfd.	1.25	2.50
Dunlop Tire, pfd.	83.00	88.00
Federal Grain, pfd.	23.50	27.00
Goderich Elevator	3.75	4.25
Guelph Carpet, pfd.	102.00	106.00
Do., com.	22.00	24.50
Hayes Steel Prod., com.	6.50	7.50
Do., pfd.	7.00	8.50
Highland Dairy, pfd.	77.50	82.00
Huether Brewing, pfd.	2.00	....
Kingston Shipbuilding Units	7.00	....
Loblaw Inc., pfd. bonus	83.00	87.00
McCormick's, com.	3.50	4.75
Do., pfd	12.00	....
Morrison Brass, pfd. bonus	8.00	9.50
Mount Royal Hotel, pfd.	3.00	4.00
New Meth. Laund., pfd. bon.	91.50	94.50
Patterson, Wm., pfd.	100.00	....
Perfection Pete., pfd.	21.25	22.50
Provincial Paper, pfd.	106.50	108.00
Reliance Grain, pfd.	....	75.00
Rob. Cons. Cone	9.00	10.00
Ruddy, E. L., pfd.	....	32.50
Seal O Sac (Can.)	5.00	7.00
Standard Fuel, com.	3.50	5.00
Do., pfd.	79.00	83.00
Supert. Pet., B pfd.	26.75	28.00
Toronto Carpet, com.	53.00	56.00
Do., pfd.	56.00	61.00
United Steel, A pfd.	14.00	16.00
Viceroy Mfg., pfd. & rts.	15.50	17.00
Weston (Geo.) Foods (Eng.)	2.50	3.00
Wings Limited	.80	.90
Trusts and Loan Stocks:		
Chartered Trust	98.00	102.50
Commercial Finance, com.	2.50	3.00
Guelph Ont., Inv. Par. $50	49.00	52.50
London & West. Trust	51.00	56.00
Premier Trust	....	95.00
Prudential Trust	5.75	....
Sherbrooke Trust	120.00	....
Sterling Trust	41.00	....
Traders Fin., A com.	14.00	16.50
Do., Inc rights	10.00	12.00
Do., B pfd. bonus	90.50	94.00
Trusts & Guarantee	26.00	27.25
Insurance Stocks:		
Canada Life	525.00	538.00
Canadian Ins. Shares	22.00	....
Confederation Life 20% pd.	112.00	114.00
Continental Life 20% pd.	35.00	....
Crown Life Fully Paid	150.00	....
Dominion Fire	130.50	....
Dom. of Can. Gen.	120.00	127.50
Empire Life 25% pd.	12.50	13.25
Federal Fire 25% pd.	43.50	....
Great West Life	310.00	325.00
Guar. of N.A. fully pd.	315.00	330.00
Halifax Fire	21.00	22.00
Imperial Life	340.00	355.00
Manufacturers Life	245.00	265.00
Monarch Life 10% pd.	23.50	28.00
Sovereign Life 25% pd.	14.00	16.00
Sun Life	365.00	425.00
Western Assce., pfd.	40.50	43.50
Do., com.	45.00	50.00
Theatre Stocks:		
Allens Kingston, pfd.	58.00	....
Do., St. Catharines, pfd.	56.50	....
Do., Tor., pfd. bonus com.	30.00	32.00
Loew's London, pfd.	2.25	3.25
Mansfield Theatre, pfd.	24.00	27.00
Paramount Kitchener, pfd.	55.50	60.00
Do., Oshawa, pfd.	87.50	92.50
United Amuse., A, V.T.	18.00	20.00
Do., B	18.00	20.00
Investment Trust Shares:		
Can. Gen. Invest.	7.75	8.25
*Can. Investment Fund	3.30	3.65
Can. Investors Corp.	5.00	6.00
Cons. Div. Std. Sec., com.	.25	....
Do., pfd.	15.00	....
Corporate Investors	6.30	6.70
Invest. Found., pfd. bonus.	54.00	58.00
Lon. Can. Invest., com.	3.00	4.50
Sec's. Hold., pfd. bonus	18.00	20.00
United Corpns., A	22.00	24.00
Do., B	......	15.50
Power Issues:		
Calgary Power, pfd.	80.50	83.00
Can. West. Nat. Gas, com.	23.50	26.50
Do., pfd.	83.00	86.00
For. Power Sec's., pfd.	5.00	7.00
Great Lakes Power, pfd.	100.00	104.00
Inter. Util., $1.75 pfd.	8.00	11.00
Do., $7 pfd.	92.00	96.00
Montreal Island Pwr., pfd.	14.50	16.00
New Brunswick Tele., com.	13.00	14.50

Winnipeg Stocks

(Transactions from Oct. 11 to Oct. 16)

	Sales	High for period	Low for period	Close Oct. 16
Flin Flon	1,000	.06	.06	.06
Gurney	8,800	.32	.26	.26
Island Lake	1,000	.01⅞	.01⅞	.01⅞
Marvel Oils	1,000	.04	.04	.04
Monarch Life	25	25.50	25.00	25.00
Ore Grande	1,000	.02	.02	.02
Packsack	1,000	.09	.08	.09
Sachigo River	410	10.50	8.25	9.50
Scotia Gold	1,000	.02	.02	.02
United Grain	7	7.50	7.50	7.50
West. Steel, pf.	10	13.00	13.00	13.00
Wylie Dom.	6,050	.25	.21	.21
Wingold	2,000	.02⅞	.02⅞	.02⅞
Wpg. R. Tin	3,000	.01⅞	.01⅞	.01⅞
Wings Ltd.	700	.85	.85	.85

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire Insurance	..	100
Can. Indemnity	125	..
Federal Grain, com.	..	2½
Federal Grain, pref.	..	27½
Home Investment	..	23
Reliance Grain, pf.	..	77
Northern Can Mtge., pf.	3	..
Northern Trust	8	..
North. Mtge., par paid	..	2
Reliance Grain, pf.	..	86
West. Breweries	1¼	..

*Stocks more active on other exchanges not included.

Unlisted Mines

Oct. 19, 1937

	Bid	Ask.		Bid	Ask.		Bid	Ask.
Ansel	..	.40	Gate. Pat.	.03	.04	Oklend	.11	.12
Alb. River	.40	.42	Gilbec	.01⅞	.01⅞	O'Leary	.05	.05½
Algold	.34	.36	G. Range	.02	.03	Oliver Sev.	.12½	.14
Altura	.02½	.05	Goldside	.02½	.03½	Opem. Cop.	.06	.07
Armistice	.03	.05	Gold Gate	.39	.42	Oriole	.04½	.04⅞
Arno	.02½	.03½	G. Lebel	.04	.04½	Ossian	.01½	.01⅞
Athona	.09	.11	Gull Kirk	.01	.02	Pascalis	.25	.30
Area	.01½	.02½	Hud. Pat.	.03	.04	P. McNab	.02½	.03½
Augite	.09	.10	Hislop	.02½	.03	P. United	.03½	.05
Bailor	.01⅞	.02½	Horseshoe	.01	.01½	Plains P.	1.90	2.00
Barber L.	.16	.20	Hut. Lake	.05	.05⅞	P. G. Reef	.01	.01½
Bear	.08	.12	Hugh Pm.	.04½	.05½	Potter Doal	.01	.02
Bilmac	.10	.12	John Nip.	..	.04	P. Rouyn	.06	.08
Baldwin	.01⅞	.02½	Kaw Crow	.04	.05	Pelangio	1.05	1.15
Cuniptau	.03½	.04	Kenecho	..	.07	Prop'try	.95	1.05
Cald. Bous.	.03	.05	Kenland	.02	.03	Que. Man.	.35	.38
Cal. Fl. Fl.	..	.02	Kenricia	..	.30	Rajah	.02½	.03½
Can. Pan.	.07	.08	Kew'gama	.22	.25	Ribago N.	.10½	.12
Can. Kirk.	.01½	.01⅞	King Kirk	.01	.02	R. Reward	.01½	.02½
Candalaca	..	.30	Kir-Vit.	.05	.06	Rubec	.01½	.02½
Chest'ele	.95	1.00	Kirk. Hunt.	.02½	.03	Sand River	.20	[illegible]
Coin Lake	..	.05	Lafayette	.01½	.02½	Shenango	.11	.13
Condor	.03	.04	L. Geneva	.26	.30	Siscoe E.	..	.10
Con. Kirk.	.16	.19	Lamaque	5.15	5.60	Smelter	..	[illegible]
Cooke Lk.	.16	.20	Lardeau	.04	.05	Spooner	..	[illegible]
Coul. Con.	..	.05	Mag. Lake	.04	.05	Sturgeon R.	.17	[illegible]
Cres. Kirk.	.03	.04	Mal. Con.	.16	.21	Springer	..	.07
Dawson	.03	.03½	Mal. Gold	..	.18	Sun Bear	..	.13
Don Nick	..	.20	Man'wki	..	1.35	Tonawanda	.02	.03
Desantis	.16	.21	McNeely	.02	.03	Trip Lake	..	.20
Doreva	.07	.10	Martin Bird	.22	.25	Triumph	.05	.07
Delosha	.17½	.19½	Margaret	..	.17	Upper Can.	.17	.20
Dunlop, N	..	.04	Mat. Can.	..	.09	Wascanna	.07	.08
El Bon'za	.07	.10	Moffatt N.	.04½	.05½	Williamson	.06½	.07½
Electra	.04	.06	M'Farlane	.05½	.06½	Wesley	.07	.09
Eva Lake	.06	.07	McC. Web	.09	.12	Westside	.03	.04
Elmos	.07½	.10	McVittie	.02½	.03½	West R. L.	.01	.02
Faulk'hm	..	.25	Monarch	.03	.04	White Horse	.09	.11
Fernland	..	.16	Mooshla	..	.10	Winoga	..	.07
Frontier	.06	.07	Mosher	.10	.12	Wendigo	.16	.19
Galatea	.01	.02	Norlake	.03	.04½	Young D.	.20	.23
Garnet	.01½	.02½	N. Shores	.01½	.02	Ypres Cd.	.09	.11

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Week in Mining

Market Slump Sends Gold Yields Soaring

Producers Move to Curtail Copper Production, Helping to Explain Base Metals Behavior— Golds Favored in N. Y.

Few were the market observers hardy enough, after the severe market slump this week, to make any sort of forecast as to the future course of the mining market.

Being as they are closely linked with the general trend of commodity prices, the base metal stocks were in a vulnerable position. Recent drop in the world price of copper, from a 1937 high of around 16.5 cents to around 12 cents per pound, was due to a straight case of supply overtaking demand, with the result that restrictions, lifted entirely in January of this year, are once more being put into effect. It is pointed out, however, that in the case of gold stocks, the senior group are maintaining their earnings (Dome at present prices is yielding 15.8% and most of the senior golds around 10%). In addition, it is pointed out that the very decline in the general market, and slowing up of industrial activity now prevailing is, or rather has been, the sort of stuff that gold mines have thrived on.

This realization is undoubtedly behind the condition noticed recently by a member of The Financial Post staff in New York, who found that while operators in that city were in a state of great uncertainty regarding the industrial outlook, Canadian senior gold stocks were looked upon with favor.

Hollinger's Dividends

Hollinger Consolidated Gold Mines, which has for over a year paid a five-cent bonus with every alternate four weekly payments, has, for the first time in this period, paid a bonus of five cents per share in two consecutive periods. It will be recalled that at the annual meeting in 1935, officials told shareholders that dividends and bonuses would be paid as earned, and that bonus payments might be expected to be irregular.

The latest five-cent bonus indicates dividend payments this year of between $1.05 and $1.15, as compared with $1.10 paid last year.

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Another "Black Eye"

In another column, The Financial Post prints the context of a letter received from the president of a Canadian mining company relevant to promotional activities in the shares of his company in England.

The kernel of the situation is his emphatic statement to the effect that neither he nor his company was aware of these activities.

In itself probably a small matter, the incident is made more important because it is so typical of the manner in which Canadian mines and Canadian mining often receive an undeserved knock across the water. While the English public, bitten by such promotions, is quick to believe that the fault lies with the dishonest conduct of Canadian mining, the real fact is that the finger of disapprobation should more fairly be pointed toward their own backyard, and to their own share-pushers who, as in this case, apparently attempted to sell stock in a Canadian mining concern without the knowledge, and without the approval of the principals of the company. This is no fault of the Canadian mine which may be, as in this case, an undeveloped prospect in an active area, and not viewed or promoted on this side of the water as anything else.

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Stadacona Rouyn Picture

Even in the present falling market, the action of Stadacona Rouyn Mines shares on the Toronto and Montreal markets has been outstanding, dropping as it has from a 1937 high of $2.85 to a low, at time of writing, of 45 cents a share.

"Unfounded rumors" have been blamed by some for the behavior of this stock. Actually, there is more behind the drop than the many "rumors" which have admittedly been circulating. The real cause of this precipitous fall in public confidence is a discrepancy between official optimism earlier in the history of the operation, and actual mill performance since production started.

In May, 1936, the company issued a press release in which it was stated that "disregarding diamond drilling results . . . the management has estimated available tonnage at approximately 170,000 tons with a gross value of $1,350,000." In the same paragraph, reference is made to diamond drill results which showed over good widths values of $15.40 and $15.45 per ton ore.

In February of this year, over the name of Roy Anderson, managing director, the company issued a most optimistic report in which it was stated: "With millheads currently running around $10 and daily tonnage of 220, the present monthly production rate is between $65,000 and $70,000."

In April, 1937, a similar press release stated: "A new large shaft and a mill treating 1,000 tons per day in the not distant future at Stadacona Rouyn Mines is visualized by Murray D. Kennedy, mine manager, as a result of rapid improvement in ore reserves in recent weeks."

Vague as all these statements were, it is not surprising that the public expected a grade for the mill of at least $10 a ton, with a step-up in tonnage handled to 1,000 tons in, to use Mr. Anderson's own words, "the not distant future."

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Results Not Comparable

Actually, in the first eight months of operations, the mill showed an average recovery of $5 per ton. Taking the company's own estimate of costs at "between $3.50 and $4 per ton," and remembering that the company still owes something on its mill construction (original advances of $150,000 being reduced by September last to $50,000), it seems apparent that before Mr. Kennedy's visualization of a 1,000 ton will become hard fact, money will have to be forthcoming from some other source than from $5 ore, handled at a cost of $4. The company is already capitalized at 5,500,000 shares, of which, at July 2, 5,212,999 had been issued.

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Nice Work, if . . .

"An International Mining Congress at San Francisco, for the purpose of stabilizing monetary metals throughout the world, is expected to be one of the major achievements of the 1939 Golden Gate International Exposition," states a publicity release sent out from the office of the Exposition.

This, note, is only one of the achievements. The Financial Post was unable to ascertain at press time whether Sally Rand was to be the other.

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Index to Mining Stocks

Recessions on the Canadian mining market continued throughout the week ending Oct. 14. The daily general index showed a slight rise on the ninth, when higher gold prices brought gold issues up fractionally, although volume of trading was reported light. The gold stocks daily average closed at 3.3 points above the year's low, while further decline in base metals placed the index at 194.4 on the final day of trading, a record low since December, 1935. The Bureau's weekly index for 24 mining issues dropped from 129.7 for the week ending Oct. 7 to 124.0 for the following week, with the gold section moving down from 110.0 to 105.6 and the base metals receding from 210.3 to 199.9.

Stadacona Rouyn Defines Policy

From Our Own Correspondent

MONTREAL.—Until shaft sinking is completed to the 900-ft. level, the present objective, Stadacona Rouyn, will not increase milling above the current rate of approximately 300 tons daily because the same amount of waste rock has to be hoisted in connection with sinking, making a total of approximately 600 tons daily, according to a statement issued by Roy Anderson, managing director.

Millheads are holding steady, he reports, leaving an operating profit which is adequate to cover financial requirements. The mine continues to develop satisfactorily toward the large tonnage objective, with ample ore requirements ahead of the mill.

The regular quarterly survey of the ore position will be taken at the end of this month, Mr. Anderson further states, and a detailed statement of reserves and operations will be mailed to shareholders the latter part of November.

Acid Treating Boosts Output

From Our Own Correspondent

CALGARY.—Hurling crude oil in large heads, two south Turner Valley wells recently completed as good, but not exceptional crude producers, have leaped into life as large crude gushers following acidization treatments.

Officials announced that the Model-Spooner-Reward well had settled down to a steady flow at about 1,500 barrels per day after the well was allowed to blow in large heads. Gas flow had been measured at 11 million cubic feet daily.

Reacting the same as Model-Spooner-Reward, Share Royalties well hurled crude oil out of the hole at the remarkable flush rate of 2,800 barrels a day, although officials believe production figures will drop slightly. Prior to the acid treatment, the well was reported unofficially to be yielding about 400 to 500 barrels daily.

Lethbridge Activity

Possibility that 12 new wells will be drilled in the Lethbridge field in the near future loomed last weekend following the announcement that a contract had been forwarded to Amsterdam for completion.

Officials of the Lethbridge Petroleums received a cable from P. J. H. Van Oudenol, asking that a contract arranged while he was in Calgary a few months ago, should be forwarded to him for completion. It concerns 2,800 acres in the Lethbridge field, adjoining the company's well for which Mr. Van Oudenol has agreed to pay $32,000 cash with a drilling clause arranging for 12 wells to be drilled in two years, following completion of Lethbridge Pete No. 1 as a commercial well, now at a depth of 2,198 feet.

News Concentrates

Algold Mines—Reports last gold brick shipped to mint weighed 295 oz., represented recovery from treatment of 1,305 tons of ore and, allowing for tailings loss, gives millheads of $9,17 per ton. No difficulty is anticipated in maintaining higher heads. New vein disclosed in surface work near No. 2 shaft has been trenched for 75 feet. Preparations are being made to develop and mine vein through No. 2 shaft.

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Blanchette-Porcupine Gold has under examination 20-claim property in Vauquelin twp., Quebec, which it recently bought outright. It is understood former owners uncovered a vein 3-5 feet wide, showing considerable visible gold, in 1932. Vein was opened for 400 feet last summer, with good values reported for that length.

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Century Mining Corp. has suspended mining operations temporarily at its property, Elbow Lake, Man. Company plans to resume work immediately after freeze-up, when freight can be taken in from Hemming Lake by team.

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Derlak Red Lake Gold has bought seven unpatented, unsurveyed mining claims in Upper Manitou Lake area, Kenora mining division, adjoining Elora and Big Master. For the property, former owners received block of vendor shares donated by vendors, so that Big Master's treasury stock position has not been affected by purchase.

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Gale Gold Mines Ltd.—Guaranty Trust Co. of Canada, Windsor, Ont., trustee in bankruptcy of this company, are calling for tenders for purchase of assets of company en bloc. Property is in Dubuisson twp., Que. Assets will be sold in three parcels, comprising mining claims and buildings, machinery and equipment, including Diesel engine, and electrical, mechanical and commissary supplies. Tenders will close Nov. 19.

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God's Lake Gold reports that underground conditions continue to show improvement. The 411-A ore shoot has been lengthened to 216 feet, width being 6.6 feet and average grade .35 oz. With 411 shoot separated from it by only about 20 feet of porphyry, this shoot now has a continuous ore length of 730 feet.

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Hiawatha Gold Mines, holding 60 claims in Oba district of Ontario, has begun shaft sinking, mining plant having been installed. Objective is 300 feet, and it is planned to establish two levels. Main vein zone has been indicated for 1,000 feet with widths running 3-5 feet, it is reported. Some $135,000 has been spent on the property, with an additional $100,000 to be subscribed under underwriting agreement.

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Kir-Vit Gold, holding 17 claims in McVittie twp., Larder Lake area, reports that assay of the first round taken from drift face on 125-foot level returned $18.90 over width of 30 inches. On second level mineralized zone was cut over seven feet, but values were low. Skeleton surface crew is remaining while additional equipment is being installed.

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Lake Rouyn Gold reports that mining plant at its Red Lake property should be in operation before end of October. Shaft will be sunk 300 feet below tunnel level and two levels established at 150 and 275 feet. Tunnel level was driven on vein for 625 feet in all and crosscut put out north to a parallel vein on which 67 feet of work was done. Except where cut by a diabase dyke, the main vein is continuous for almost the full length of the tunnel.

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Oriole Mines, adjoining Murphy Mines on the west in Kirkland Lake area, is reported to have uncovered new vein on one of its claims. Vein, sample from which gave $15.90 across 12 inches, is being stripped to determine its length. On southern claims, iron and copper formation has been uncovered for 1,000 feet, average width being 150 feet. Tenders have been called for new diamond drilling programme.

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Maritime Cadillac Gold announces shaft sinking under power is in full swing at its property in Cadillac twp., Quebec, shaft being down to 35 feet at the end of September. Concrete collar, headframe and hoisting equipment have all been installed.

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Mary Jane Copper-Gold, holding approximately 600 acres in Destor twp., Quebec, reports recent diamond drilling has indicated promising showings of copper mineralization along No. 1 zone. Three holes completed encountered widths of mineralized material running 17, 19 and 40 feet, respectively. Deeper holes are now being put down to encounter vein and mineralization at horizons where it is expected it will be more solid.

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Oliver Severn Gold has acquired a 12-claim property in Lac Du Bonnet district of Manitoba which is reported to have returned good values. C. W. Taylor, field man for company, reports that on new property vein 700 feet long and 4 feet wide has been indicated. Holdings are at east end of Falcon Lake, about a mile from Ontario boundary.

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Osoyoos Mines, west of Osoyoos Lake, B.C., expects to have its new cyanide plant ready for operation early in December. Daily capacity of plant is 125 tons; cost is estimated at $45,000. Present milling equipment treats 40-50 tons daily, and this addition has been designed with object of putting operation on profitable basis. Osoyoos has been able to cover mining and development costs with present mill.

W. Hargreaves Has Good Year Reserves Rise

Good Grade Located Below 3,900-ft. Level, Report States

EARNINGS SAME

In its twenty-first fiscal year (its seventeenth since production started), Wright-Hargreaves Mines:

Produced a greater value of gold than ever before in its history.

Maintained its earnings of approximately 72 cents per share, the same net as last year.

Increased tonnage of ore reserves at some slight sacrifice in grade.

Increased the tonnage handled by its mill.

Reduced overall costs from $9.60 per ton of ore handled to $8.87 per ton.

Increased dividends paid from 60 to 70 cents per share.

Increased working capital from $4,348,369 to $4,524,202.

These facts show up in an analysis of this Kirkland Lake producer's annual report for the fiscal year ended Aug. 31.

During the year, the report of Managing Director Maurice W. Summerhayes shows the company handled 429,120 tons, as against 387,464 the previous year. From this tonnage, a gross value of $7,714,486 was obtained, indicating a recovery per ton of $17.98, as compared with a recovery per ton of $19.60 the previous year.

During the year, the major portion of development work was centred above the 3,900-foot level, Mr. Summerhayes states, although what work was done below this level has opened up considerable ore of very good grade. Because of the fact that a greater tonnage was handled, the percentage of extraction was fractionally lower, or, in other words, tailings losses were slightly higher. The increase in tonnage was made possible by the addition of one tube mill and a Bowl classifier, allowing an increase of 117 tons daily for the year.

Ore reserves as at Aug. 31, 1937, were estimated by Mr. Summerhayes at 1,455,609 tons averaging $18.68 per ton. This compares with 1,352,779 tons of $19.70 grade the previous year, showing that development work is outlining ore faster than it is being milled.

Edwin Lang Miller, president of the company, points out that for the fiscal period expenditures for wages and supplies, and excluding such items as taxes, depreciation and non-recurring expenses, the company paid out $2.8 millions, a figure which is 36% of production.

Income and Surplus Account
(Years ended Aug. 31)

	1937 $	1936 $
Bullion produced	7,714,486	7,595,231
Less oper. expen.:		
Develop. & explor. .	509,653	586,827
Stoping	1,098,751	848,399
Transporting ore ...	348,858	278,500
Milling	509,618	477,974
Surface & bldg. exp.	108,438	97,202
Marketing bullion ..	18,395	18,399
Mint bullion charge.	76,946	75,379
Stk. trans. chgs., etc.	24,794	17,395
Taxes	665,000	700,000
Gen. & misc. chgs. .	133,505	152,879
Group ins., silicosis, etc.	90,114	75,576
Add: Undist. backfilling w/o	56,000	......
Net oper. earnings ...	4,186,414	4,266,701
Add non-oper. income:		
Interest	42,018	65,332
Discounts earned ...	4,017	3,013
Sale surface rights .	800	......
Total net earnings	4,233,249	4,335,046
Less: Deprec.	281,657	306,737
Develop. w/o	......	85,000
Net profit	3,951,592	3,943,309
Less dividends	3,854,492	3,320,561
Surplus for year	97,100	622,748
Add previous surplus .	4,550,921	3,958,261
Less: Adj. income tax.	......	30,088
Undist. backfilling w/o	56,000	......
Balance forward	4,592,021	4,550,921
Earns. Per Share & Divd. Record:		
Common: Earned ...	0.72	0.72
Paid	0.70	0.60

Polaris Gold Mines reports diamond drill hole No. 6 at Verity property in Ogden twp., Porcupine district, has been completed to 640 feet, with assays not yet completed. Hole No. 7 started some days ago. Verity claims are under option to Polaris.

NOTICE OF SALE OF ASSETS OF GALE GOLD MINES LIMITED

(No Personal Liability)
(In Bankruptcy)

Sealed tenders will be received by the undersigned up to 3:30 p.m. Eastern Standard time, on Friday, November 19th, 1937, for the purchase en bloc of the assets of Gale Gold Mines Limited, situate in the Township of Dubuisson, Pontiac, Quebec, near Shawkey, Quebec; including all machinery, equipment, materials, buildings, ore and mining claims covering approximately 207 acres. Considerable development work (including drilling) has already been done on the property. The undersigned reserves the right to sell the said assets in three parcels, namely:

(a) Mining claims and buildings; (b) Machinery and equipment including Diesel Engine and large Ingersoll Rand Air Compressor and (c) Electrical, mechanical and commissary supplies.

Tenders should specify whether the offer is for the purchase of the assets en bloc or for one or more of the above parcels.

TERMS: 25% in cash or certified cheque must accompany each tender, and the undersigned shall not be obliged to accept the highest or any tender; balance upon transfer of title.

For further particulars and detailed description of property and assets apply to Guaranty Trust Company of Canada, 190 London St. W., Windsor, Ontario, or Guaranty Trust Company of Canada, 70 Richmond St. W., Toronto, Ontario.

DATED at Windsor, Ontario, October 15th, 1937.

Guaranty Trust Company OF CANADA
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Trustee in Bankruptcy of Gale Gold Mines Limited

Shaft Being Sunk At Quebec Manitou

Quebec Manitou Mines, Bourlamaque twp., Quebec, has let a contract for a three-compartment shaft calling for an initial objective of 500 ft., and sinking is well under way, W. H. Sharpe, president, states in a progress report.

Work to date, says Mr. Sharpe, has indicated an ore zone over 1,200 ft. long and up to 50 ft. wide; there are geological reasons for expecting that further exploration should locate other substantial ore in the shear zone, which apparently continues to the western boundary of the property and beyond.

The company's chief ore body seems to be about 200 ft. long as measured on the 350-ft. plane and 300 ft. long as measured on the section down the incline of the ore lens, which is about 60 degrees, states the report of W. H. Emmons, professor of geology and mineralogy, University of Minnesota, who examined the property. Average is about 24 ft. wide. This would be equivalent to 180,000 tons of ore, gross value of which, calculated at $21.31 a ton, is $3,835,800. Nineteen of 23 drill holes started were completed. The drilling programme was terminated in June, ample ore having been indicated to justify shaft sinking.

Workings at Nicola Will Be Carried Down

Consolidated Nicola Goldfield, formed to acquire the Mineral Mill mining area in British Columbia, will confine its operations temporarily to an intensive development programme at the Nicola Mines property, where a two-compartment shaft will be sunk to the 1,000-ft. level. Nicola, which is adjoined by the Jenny Long and other mineral groups, is at Stump Lake, B.C., in the mining area taken over by Consolidated Nicola. The new company now owns an area of over 5,000 acres.

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Canadian Mine Unaware Of U.K. Sales Campaign

Stating that he made no such statement as those attributed to him by an English group of promoters, and that he was not aware that stock in his company was even being sold in England, S. J. Smiley, Montreal barrister, and president of Duver Creek Gold Mines, in a letter to The Financial Post, has clarified his position and that of his company, in regard to the situation described in last week's issue of this paper.

This article, based on comments appearing in a London, England financial journal, pointed out that while the English promoters were quoting Mr. Smiley as saying that the stock of Duver Creek was being traded at 50 cents a share in Canada, there was actually no active market for the stock, and that the stock had never, according to unlisted dealers, been traded at this price in Canada.

Mr. Smiley's comments indicate that once again a Canadian mining stock has been given a "black eye" in England through no fault of the Canadian directors, but because of the promotional methods of the English share-pushers.

Post readers will recall that the English article described sales literature allegedly issued by an "Associated Investments," of Brussels, Belgium. Mr. Smiley writes:

"I wish to state categorically that I have at no time made the statements attributed to me either to a representative of the Chronicle or to others; it is indeed a matter for surprise that it should be stated glibly 'Mr. Smiley, president of Duver Creek Gold Mines tells us that . . .' If any parties have taken the liberty of using my name or of making statements on my behalf, I hereby denounce them as false, unwarranted, and unauthorized.

"Further, Duver Creek Gold Mines has no connection whatsoever with a firm styling itself 'Associated Investments' of Brussels, nor has any arrangement for the sale of shares to said associations ever been made."

Mr. Smiley then goes on to describe the situation as regards the company. Duver Creek capitalized at $3.5 millions in $1 par value stock, owns 2,000 acres in Duverny Twp., Quebec. Some 1,150,000 shares have been issued for the property to vendors, and these shares are held in escrow, subject to release by consent of the Quebec Securities Registrar. Approximately 160,000 shares have been sold for cash, leaving in the treasury over two million shares.

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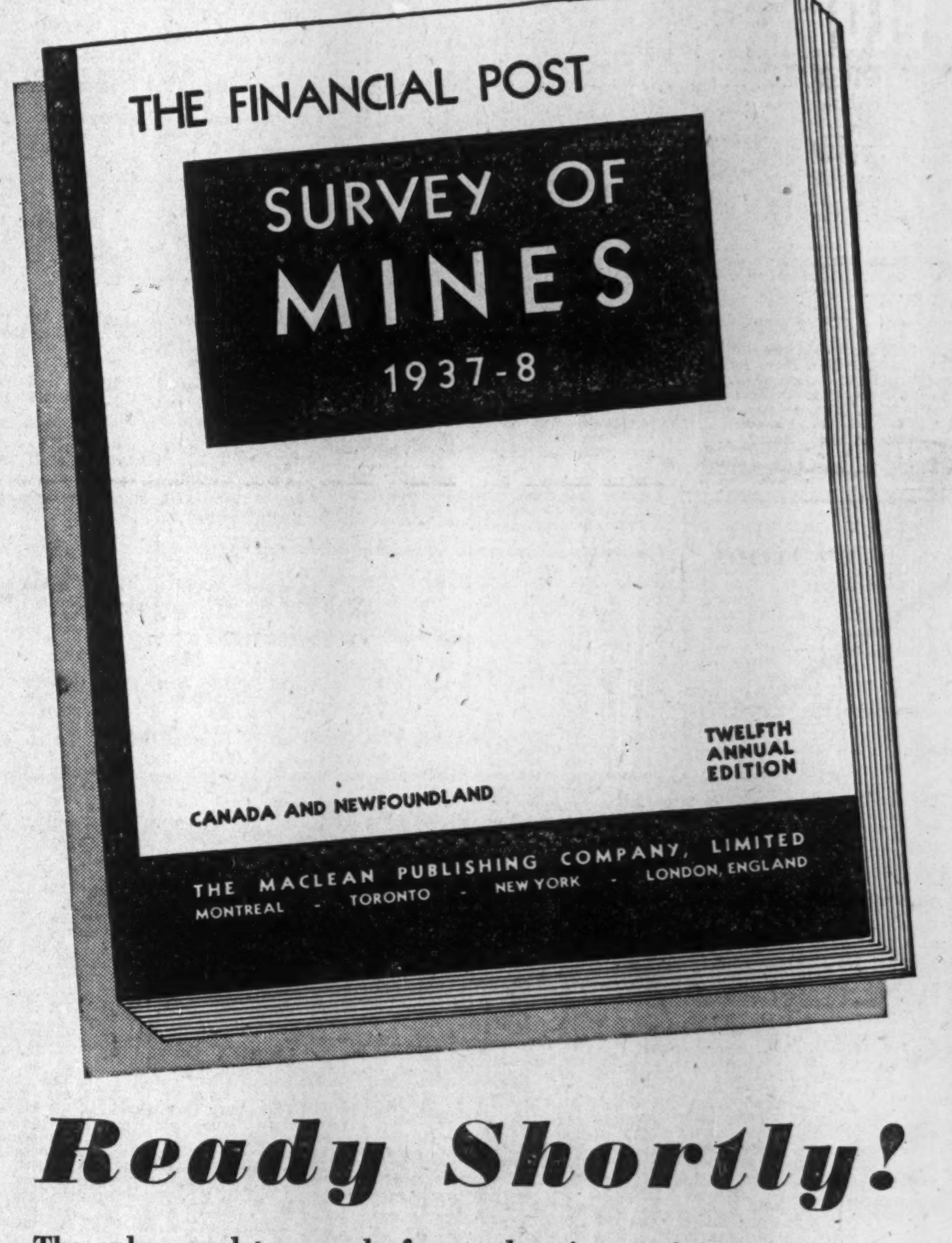

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Reno Earns 14c a Share Cash Grows

Costs of B.C. Producer Cut By Metallurgical Changes

RESERVES DOWN

Earnings per share at Reno Gold Mines, gold producer near Nelson, B.C., for the fiscal year ended June 30, 1937, amount to 14 cents, as against 15 cents earned the previous year.

At the same time, the cash position of the company shows improvement, current assets amounting at the end of June last to $503,494, against current assets of $328,531 at the end of the 1936 period. This increase can be traced largely to higher cash reserves. Current liabilities at the end of June, 1937, totalled $140,837, leaving working capital of $362,657, as compared with working capital of $174,149 the previous year.

Ore reserves as estimated by W. S. Ellis, general superintendent, showed a slight falling off in grade and tonnage, total positive ore being estimated at 47,405 tons, grading 0.487 ounces per ton, as compared with 54,147 tons, grading 0.585 ounces per ton at the end of June, 1936. This company makes no estimate of reasonably assured and possible ore.

Comparative income and surplus accounts for the two years 1936 and 1937 reveal that a saving of approximately $9,700 has been made in marketing charges. This reduction may be attributed to the fact that the company has installed changes in metallurgical practices, which have completely eliminated the necessity of concentrating and shipping to the smelter at Trail, B.C., a portion of the sulphides in the ore. These new processes were only in effect for six months in the fiscal year under review.

During the year, tonnage milled amounted to $43,699, for a gross recovery of 870,532, indicating a recovery per ton of $19.92. The previous year, recovery per ton amounted to $21.46.

Income and Surplus Account
Years Ended June 30

	1937	1936
	$	$
Bullion produced	456,115	417,292
Concentrates prod. ..	67,053	105,136
Premium on gold	347,364	350,754
Total value	870,532	873,173
Less: Mining	278,792	238,491
Ore transport	39,595	33,779
Milling	103,045	105,860
Marketing	15,677	25,428
Sundry admin. exp.	4,328	4,200
Dir. fees, trav. exp.	1,283	1,913
Trans. agts. fees etc.	2,983	3,065
Oper. earnings	424,829	460,437
Add other income:		
Misc.	1,691	1,939
Net earnings	426,520	462,376
Less: Deprec. reserve	39,614	55,782
Depletion	52,586	41,385
Prov. for mining tax	14,428	13,868
Prov. Dom. & Prov. taxes	52,053	62,260
Net profit	267,839	289,081
Less: Dividends	223,989	219,157
Surplus for year	43,850	69,924
Add: Previous surplus	193,448	151,621
Less deprec. adjust. .	......	28,097
Balance forward	237,298	193,448
Earnings per Share and Dividend Record:		
Common: Earned ..	$0.14	$0.15
Paid	0.12	0.12

Teck Maintains Tonnage of Ore

Earnings Down to 46 Cents Per Share—Cash Position Is Strong

Following closely the figures in the estimated earnings published some weeks ago, annual report of Teck-Hughes Gold Mines for the fiscal year ended August 31, 1937, shows a net profit per share of about 46 cents as compared with 50 cents in the previous year.

J. G. McMillan, general superintendent, estimates positive ore reserves at the end of September at 640,443 tons, averaging 8.02 pennyweights, or about $14.03 per ton. This estimate includes 216,365 tons of broken ore and 424,078 tons of blocked ore, or ore still in place. This estimate shows that tonnage of ore reserves has been virtually maintained during the year, although grade has fallen off very slightly.

The cash position of the company remains strong, working capital at the end of August last amounting to $2,481,672, as compared with $2,199.663.

The report shows that Lamaque Gold Mines, Teck-Hughes' Quebec subsidiary, had by the end of the fiscal year, redeemed 25% of its bonds, held by Teck-Hughes, and provided itself with sufficient funds to finance expansion from a capacity of 500 tons to 1,000 tons per day. There remains a balance of $1.5 million of Lamaque bonds to be redeemed before any of its profits may be applied to dividends.

No new important ore developments are reported from the property of Teck-Hughes.

INCOME AND SURPLUS ACCOUNT
(Years Ended Aug. 31)

	1937	1936
	$	$
Bullion output	4,570,855	4,777,666
Less oper. exp.:		
Devel. & explor.	105,098	181,085
Mining	1,227,380	1,114,326
Milling	422,642	431,005
Gen. expense	294,752	277,381
Taxes	387,258	431,739
Exam. new prop. ...	35,212	46,491
Oper. earnings	2,098,513	2,295,639
Add: Non-oper. in.:		
Int. earn., gen. invest.	13,182	27,310
Int. earned, Lamaque bonds	91,695	100,411
Net profit	2,203,390	2,423,360
Less dividends	2,403,572	2,163,215
Surp. for year	*200,182	260,145
Add: Prev. surp.	3,982,714	3,740,306
Profit on redem. Lamaque bonds	150,000	......
Less addit. income tax, 1935	......	17,737
Balance forward	3,932,532	3,982,714
*Deficit.		
Earns. per Share & Divd. Record:		
Common: Earned ...	$0.46	$0.50
Paid	0.50	0.45

Red Crest Gold Mines Sells Block of Shares

From Our Own Correspondent

MONTREAL.—Red Crest Gold Mines has notified the Montreal Curb Market that 10,000 shares at 35 cents a share have been taken up under the terms of the option agreement. This brings the number of outstanding shares to 2,239,500, while 760,500 shares remain under option, including 260,500 shares at 35 cents each and 500,000 shares at 50 cents each.

Regal Securities "Fronts" Found Guilty of Perjury

From Our Own Correspondent

MONTREAL.—W. E. Denise and Donald Guest, two of the self-styled principals of Regal Securities Ltd., have pleaded guilty before Judge Langlois in Courts of Sessions to charges of perjury in connection with declarations made under oath to the Quebec Securities Department regarding the operations of their company. Sentence will be imposed on Oct. 25; in the meanwhile, Denise and Guest remain in custody.

Regal Securities was incorporated by Quebec charter on July 23, 1936, with the object of carrying on a general securities business.

Information was obtained by the Better Business Bureau that the money to start the business was actually furnished from Philadelphia. When examined, Denise and Guest denied any outside connections.

Additional information was procured and ultimately Denise and Guest admitted the falseness of their sworn testimony.

Meanwhile a petition in bankruptcy was entered against the company itself, but progress in winding up its affairs has been slow owing to the inadequate records maintained. Liabilities are tentatively set at approximately $20,000 to $25,000 with no assets.

Goldbanks Mines Makes Initial Stock Offering

Goldbanks Mines, which last May acquired the properties and assets of Goldbanks-Kirkland Mines, is making an initial offering of stock at 30 cents per share.

Goldbanks Mines, capitalized at $3 millions in $1 par value stock, issued 906,709 shares to Goldbanks-Kirkland, all of which is pooled. In the treasury are 2,093,291 shares. The property adjoins on the west Harry Oakes Holdings, which are themselves immediately west of Macassa Mines in the Kirkland Lake area. Some drilling has been done on this property, and part of the proceeds of the present offering will be utilized for a further deep drilling programme.

Directors of the company are Dr. A. J. MacKinnon, Zurich, Ont., president; Thomas Clift, London, Ont.; vice-president; Andrew E. Gray, Inwood, Ont.; A. Gordon MacDonald, Walter Little, M.P., and Joseph Edwards, all of Kirkland Lake, directors. C. W. Baker, London, Ont., is sec.-treas. Dr. T. L. Gledhill is consulting engineer.

Bulolo Gold Dredging Reports Higher Output

From Our Own Correspondent

MONTREAL. — Bulolo Gold Dredging reports an output in September of 12,838 oz. of fine gold, as compared with 12,783 oz. the previous month and 11,794 oz. in September last year.

Estimated working profit for September totalled 8,593 fine oz., equivalent to $2,755 in Canadian funds, taking gold at $35 an ounce. In August the working profit totalled $288,435 and in September a year ago $295,995.

Production in September this year was from 893,600 cubic yards of gravel. In the previous month, 901,000 cubic yards were dredged and in September, 1936, 931,000 cubic yards.

Campbell Joins Chibougamau

From Our Own Correspondent

MONTREAL.—D. A. Campbell, Montreal, has been elected a director of Consolidated Chibougamau Gold Fields Ltd. to succeed E. G. Montgomery, representative of Consolidated Mining & Smelting Co., who has resigned.

Montreal Lists Firestone Pete

Alberta Company Holds Sublease on Turner Valley Sites

From Our Own Correspondent

MONTREAL.—Capital stock of Firestone Petroleums Ltd. was called for listing on the Montreal Curb on Oct. 18. The ticker abbreviation is FIR.

The listing covers an authorized capitalization of 2 million shares, par value of 25 cents each, of which 1,250,000 have been issued.

The company was incorporated in Alberta in November, 1936, and holds the sublease of petroleum and natural gas property in the Turner Valley. The issued shares were originally allotted to Anglo-Canadian Development and Holding Co., in consideration for the transfer of the sub-lease to the property, and on condition that Anglo-Canadian would finance development of the property.

Officers and directors are: Francis P. Byrne, president; W. Gordon Egbert, vice-president; J. G. Gemmell, secretary; A. K. Leitch, W. E. Gray; and O. R. Soley; all of Calgary.

Prairie Royalties Listed

From Our Own Correspondent

MONTREAL. — Prairie Royalties Ltd. capital stock has been called for trading on the Montreal Curb Market. The listing covers 2.5 million authorized shares of 25 cents par value each, of which 1,250,000 shares have been issued, with the balance remaining in the treasury.

Mining Company Charters

Bealmore Milling Co.—B. C. incorp., Sept. 21, 1937. H. O. Vancouver, B.C. Auth. cap., 4,000 shares, $12.50 par.

Consolidated Nicola Goldfields—B. C. incorp., Sept. 28, 1937. H. O. Vancouver, B.C. Auth. cap., 6,500,000 shares, $1 par.

North British Engineering Corp.—B. C. incorp., Sept. 28, 1937. H. O. Vancouver, B.C. Auth. cap., 10,000 shares, $1 par.

Prairie Petroleums—B. C. incorp., Sept. 29, 1937. H. O. Vancouver, B.C. Auth. cap., 10,000 shares, $1 par.

Robson Mining Syndicate—Ont. incorp., Sept. 29, 1937. H. O. Toronto. Auth. cap., 35,000 shares, $1 par.

Stevepax Mining Syndicate—Ont. incorp., Sept. 28, 1937. H. O. Toronto. Auth. cap., 35,000 shares, $1 par.

Zebal Gold Holdings — B. C. incorp., Oct. 1, 1937. H. O. Vancouver, B.C. Auth. cap., 20,000 shares, 50 cents par.

Falconbridge Will Open Up Deep Levels

New Workings Should Be Reflected in Report

RUMORS DENIED

From Our Own Correspondent

SUDBURY. — Rumors circulated during the week in Sudbury of a substantial expansion of metallurgical facilities at Falconbridge Nickel Mines have no foundation in fact, it is officially learned. The company is proceeding along normal lines, both in its mining development programme and smelting and refining operations.

Falconbridge, however is aggressively developing its ore resources, and results of current work should show in reports of reserves in the next annual statement. In addition to sinking the original No. 1 shaft to an objective of 2,100 feet, the company is at present opening up the 825-, 1,000-, 1,200- and 1,750-foot levels from the No. 5 shaft. At the latter horizon to the westward, drifting has proceeded for about 700 feet and to the east nearly 250 feet, both drifts showing widths and grade of ore equal to the average for the mine. The 1,200-foot level has been extended for several hundred feet east from the shaft also in good ore.

To Deepen Shaft in 1938

For the present, No. 5 shaft has been bottomed at 1,800 feet, but it is the intention next year to deepen the shaft and undertake further lateral work at lower levels.

Centralization of all ore hoisting through the No. 5 shaft was accomplished at the end of last year, and at present all ore is being mined from old workings to the west, above the 1,000-foot level. At the same time the No. 1 or original shaft is being pushed down to 2,100 feet, and is now at the 1,950-foot horizon. In due course the 1,750-foot level driving westward will be connected with the workings through the No. 1 shaft, and other levels opened in the block between the 1,200 and 1,750, followed by development of ground to 2,100 feet.

Refining operations which had been interrupted for a time by a strike of the electrochemical industry in Norway, have now been resumed, and despite the suspension there, plants at Falconbridge have been working at full capacity. Daily treatment by metallurgical plants is being maintained at 1,250 tons, and it is not expected there will be any change from this rate for some time to come.

Falconbridge is making some extra capital expenditure, however, in a new ball mill for the concentrator and some changes in the sintering plant which are designed to improve efficiency. Rate of production will be boosted a bare fraction by the alterations, the object being to bring metallurgical processes to a standard that will take care of future requirements.

As intimated in The Financial Post recently, Falconbridge during the last two years has acquired by staking and purchase several thousand acres of mineral ground in the Sudbury district, including the acquisition of the old Mount Nickel mine, adjoining the Frood-Stobie. No exhaustive programme of exploration is being undertaken, though here and there the company is making an examination of the new outside holdings.

Seek Beryl and Lithium

From Our Own Correspondent

WINNIPEG.—A party of seven financiers and engineers from the mid-western and eastern states are investigating the pegmatite dikes of the Point du Bois area, a few miles east of Lac du Bonnet. Beryl and Lithium are two of the important minerals sought and the present trip of investigation follows several months of negotiation.

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Bouscadillac Gold Mines

Will you please give me the present position and further outlook for Bouscadillac Gold Mines as far as possible?

Bouscadillac Gold Mines owns and is developing some 621 acres in Bousquet Township, Abitibi County, Quebec. Property adjoins O'Brien Gold Mines on which rich ore bodies were located last year. Bouscadillac has been developed to 500 feet and some short commercial ore bodies have been opened. While geological formation and position favor the theory that the O'Brien formation crosses to Bouscadillac ground, this theory has not yet been proved and stock is therefore, proportionately speculative. Company has some good men on its board of directors and is financially well sponsored. No official financial statement has been issued, but we understand that treasury contains sufficient money to carry out continuance of exploration programme on four levels at present being opened.

Company is capitalized at $3 millions in $1 par value shares of which at June 4, 1937, $2,214,505 was outstanding.

East Malartic Gold Mines

Please give me some information East Malartic Gold Mines, including your estimate of the type of management this company has.

East Malartic Mines is developing property in Fourniere Township, adjoining Canadian Malartic to the East. Property is being developed by two shafts. Number one shaft and underground workings are aimed at opening up three ore bodies indicated by diamond drilling. Grade so far indicated runs between $7 and $10 per ton, which, while not high grade is probably commercial ore. Diamond drilling on boundary ore body is officially stated to have indicated in excess of one million tons of approximately $8.30 grade to depth of 400 feet. Company is unofficially considering 500-ton mill and property to date appears to justify production, provided that underground work continues to substantiate encouraging drill results. Company has strong board and is fiscally well sponsored. It is capitalized at $3 millions, in $1 par value shares. Stock is at present being taken up at 80 cents per share.

Pickle Crow Gold Mines

I have some stock of Pickle Crow, bought at higher prices than are at present prevailing. What is your opinion of this stock, and of the dividend outlook?

Pickle Crow owns producing gold mine in Crow River area, Patricia districts of Ontario. The mill, which started production in April, 1935, is handling over three hundred tons per day. Property has been well developed on six levels to 750 feet and excellent ore bodies have been consistently opened up. Shaft is being deepened with objective of opening up three more levels. Company is fortunate in having high-grade of ore, which places it in highest grade class in Canada. Interim dividend of 10 cents per share was declared on June 30, 1937, prior to which a five-cents interim dividend had been paid quarterly. Company is in good hands and at end of 1936 working capital amounted to $155,031. It is expected that present dividend rate will be maintained until company has built up satisfactory surplus when increase in rate will be considered.

Sherritt Gordon Mines

I would appreciate getting your analyses of Sherritt Gordon stock. What is this property likely to earn?

Sherritt Gordon Mines owns large copper-zinc property at Cold Lake, Manitoba, developed underground by three shafts and equipped for milling at rate of 1,000 tons per day. Mill started operation again on Aug. 1, 1937, but it will be several months before earnings position of company can be estimated. Meantime, it is fairly evident that a profit can be made at present prices for copper and zinc. Latest official estimates of ore reserves showed over 3.9 million tons averaging about 2½ per cent copper and 60 cents in gold and silver in west ore body, 866,175 tons averaging 2.14% copper, 5.78% zinc and 70 cents in gold and silver in the east ore body and 1,115,500 tons averaging 1.40% copper, 8% zinc and 86 cents in gold and silver. This would be sufficient for nine years operation at a rate of 1,500 tons daily. Speculative elements in this stock appear to lie in the future prices of copper and zinc, which are, in common with most commodities, undergoing a disturbed period at present.

Waite Amulet Mines

Would you please give me a brief summary of operations and outlook for Waite Amulet Mines? I notice the stock has been dropping quite sharply of late, and would be glad to know the cause.

Waite Amulet Mines Ltd. operates Consolidated Waite and Amulet properties in the Rouyn district of Quebec. A decision was reached in March, 1937, to reopen the two properties. Amulet has a 350-ton mill which was restarted on July 2, 1937. At present this mill is handling 360 tons per day, producing a copper-zinc concentrate which is being delivered to Noranda Smelter. A few days ago the company started shipping between 100 and 130 tons of ore per day from Waite directly to Noranda Smelter. This ore is reported to be averaging btween 13 and 14% copper.

Company is capitalized at 3 million shares no par value all of which are outstanding. Noranda Mines owns 1,870,113 shares or approximately 62.33%. This control by Noranda assures company excellent management, but it is, of course, impossible to estimate earnings until company reaches stable production rate.

Decline in market value of shares is due partly to fears as to future price of copper and partly to general slump in all stocks.

Beattie Gold Mines

What are the prospects of higher earnings at Beattie Gold Mines? A brief analysis of this operation would be of value.

Beattie Gold Mines owns a producing gold mine in Quebec with milling capacity of 1,500 tons daily. With new roasting plant, necessitated by peculiar type of ore in operation, it is expected that daily milling rate will be around 1,800 tons. New roaster is scheduled to come into operation this month.

Outlook for increased earnings is fairly bright. New roaster is expected to result in a 25% increase in profits.

In 1936, company increased net profit, earnings per share rising to 11 cents from eight cents in previous year. On basis of result to date, profits should approximate $600,000, or about 12 cents per share on issued stock. Ore reserves at end of December, 1936, amounted to 4,527,640 tons of .143 ounce grade. Exploration is being carried forward with hope of finding new lenses of ore comparable with north contact ore body which contains most of present reserve. Working capital at end of 1936 exceeded $1 million.

Company is managed by Ventures interests and an initial dividend of five cents per share was paid June 1, 1936. Another dividend of five cents was declared payable June 1, 1937. It is expected that there will be another five-cent dividend, paid out of earned surplus by end of the year and further dividend from this source, as against current earnings, later. In August it was officially stated that earned surplus was about $750,000.

Mining Options

Preston East Dome — Has not received payment for 240,000 shares under option at $2 per share due by Oct. 12 under agreement Aug. 12. Directors have not yet dealt with application from optionee for further extension of time in which to make payment. Total issued capital is 2,760,000 out of authorized 3,000,000 shares.

Naybob Gold Mines—Has received payment for Sept. 10 installment covering 25,000 shares at 42 cents per share under agreement June 16 last. Balance of underwriting consists of 525,000 shares at 42 cents per share, payable in monthly installments. Total issued capital is 2,292,143 of authorized 3,500,000 shares.

Red Crest Gold Mines — Advises that 10,000 additional shares have been taken up at 35 cents under agreement Mar. 20, 1936. Balance of agreement consists of an option on 260,500 shares at 35 cents and 500,000 shares at 50 cents per share. Total issued capital is 2,239,500 of an authorized 3,000,000 shares.

Pacalta Oils—Payment for Oct. 15 installment covering 100,000 shares at 20 cents per share under agreement June 22 last. Underwriting payments completed, leaving outstanding option on 700,000 shares, consisting of a 400,000-share block at 20 cents and 300,000 at 25 cents, with first installment of 200,000 shares exercisable by Oct. 31, 1937. Total issued capital 1,999,840 shares of authorized 3,000,000 shares.

Powell Rouyn Gold—Announces Oct. 15 underwriting payment covering 15,000 shares at $1.25 per share, under agreement Sept. 10, 1937, anticipated. Balance covers option on 20,000 shares at $1.25 per share, exercisable by Nov. 15, 1937. Total issued capital 1,212,764 of an authorized 1,500,000 shares.

Lava Cap Gold — 30,000 shares, part of Oct. 1 installments of 70,000 shares under agreement April 21, 1936, taken up at $1.03. Balance cancelled by mutual consent. Issued capital is 2,430,757 shares of an authorized 2,500,000 shares.

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The gross value of the industry for the first six months of 1937 is estimated to be $36,383,540.00. This is an increase of 53.4% over the value for the corresponding period in 1936.

Indications are that this year's production will exceed that of any previous year in value, which is a splendid commentary upon the stability of the mining industry in this Province. New properties are being brought into production, and with the reopening of old properties, mill capacity will be considerably increased over last year.

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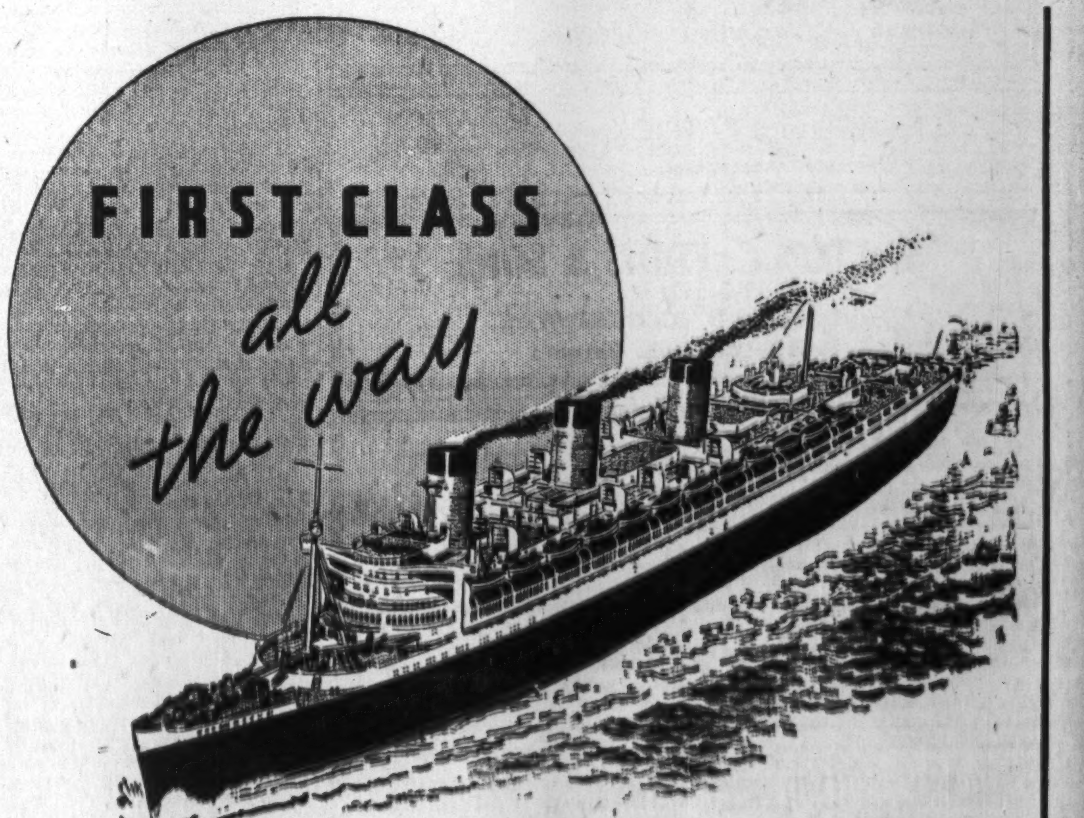

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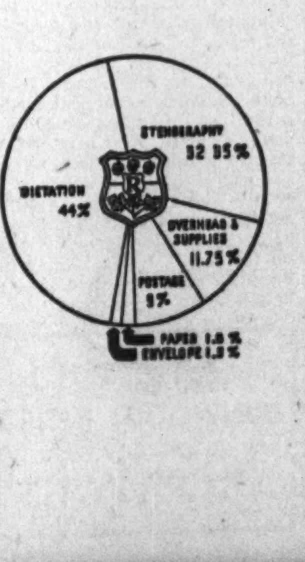

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Averaging Up

"When in Doubt, Don't" Sound Advice For Those Seeking to Recoup

By WILFRID SANDERS
Mining Editor, The Financial Post

"Not by any means a professional mining investor or speculator, I was nevertheless induced to buy stock in several gold mines and gold prospects earlier in the year when prices were high, and enthusiasm widespread. While I sincerely thought I had exercised the greatest care in making these purchases, they show a considerable loss on paper at present prices. I have been advised to buy still more of these shares, which I still think are sound, so that my margin of loss may at least be narrowed, if not wiped out altogether. I would appreciate some advice on this suggestion. Should I buy more of these stocks, or should I get rid of them altogether?"

* * *

If this reader were to ask a medical man: "Should I get rid of my appendix?" the medical man, backed by years of training and experience, would shrewdly counter with "What kind of an appendix have you got?"

It is patently just as impossible to give a "yes" or "no" answer to this question. Nevertheless the general theme has been repeated so frequently of late in letters to The Financial Post, that it is evident the question of averaging losses is very much in the minds of many investors and speculators during this period of low market prices. It is certainly a temptation.

There is no need to labor the fact that hard and fast rules about "averaging up" or "averaging down," do not exist. A broad, more or less general discussion of the problem might, however, be of some help.

Care Needed

Averaging on mining stocks is more practical than in the case of other forms of stocks. In no case are the fluctuations so sharp, and the consequent opportunities for reducing one's losses by further purchases of the same stock, more numerous. A corollary to this fact is that for the same reasons, averaging on mining stocks requires proportionately more care.

Today, with few exceptions, all the gold stocks are selling at materially lower prices than existed, say, eight months ago. But in this general decline, three separate movements are apparent, roughly approximating the three classifications of gold stocks; senior, junior, and prospects.

It was shown, in a previous issue of The Financial Post, that these three groups reacted very differently to the selling wave. By far the greater per cent decrease in market valuation was apparent in the prospect group. Next heaviest loser was the junior gold group, and the least affected, although this is a comparative term, were the senior golds.

Senior Golds

This fact suggests that in averaging up one's portfolio, the three groups of stocks should be differentiated. It is apparent, for instance, that the senior gold stocks, by which is meant the larger, established gold producers, turning out, say $1.5 millions annually, have been affected by influences outside the actual operation of the mine. Intrinsically, the situation at the mine has remained unchanged. Some allowance should be made for the probability that when the gold mining boom was at its peak, such stocks reached levels which were not justified by the actual situation. On the whole, however, this group was not subject to this tendency of discounting the future as much as the other two groups, and the fact remains that intrinsically the physical situation at such properties is as sound today as when the investor purchased the stocks in February or March.

The future price of gold is undoubtedly still a factor in the gold share market. The problem, however, appears at present less acute than it was when prices first started falling and the question will have to be laid aside in this discussion.

Excepting this factor one is led to the conclusion that averaging one's losses is at least less risky in the case of the senior golds, than in the case of the other two groups. It is not suggested that the market price of these stocks will return to the previous 1937 highs. Such a development would not be necessary to successful averaging. If the investor bought 100 shares at $50, and it subsequently went to $25, paper loss would be $2,500. If he bought 100 more shares at the $25 figure, the stock would only have to return to $37.50 to allow him to break even. The fact that most senior golds are paying a yield of over 10% is also an inducement.

In the junior and prospect class, the situation is different. Particularly in the latter group, prices earlier this year were much more inflated. Many mining stocks with no merit at all were selling at high prices. In addition, the proportionate number of failures in this group is much higher. One who seeks to average up his losses in this group has not only the external, general factors to cope with, but the actual position of the mine. It is therefore much harder to recoup one's losses by taking a hair of the dog that bit you. Infinitely more care and knowledge are needed here if what the speculator fondly views as averaging up is not to be in effect merely throwing good money after bad.

In this same prospect group are several gold mining companies which have, despite the market drop, gone steadily ahead blocking out ore, and planning for production. This should, of course, be taken into consideration.

It is a common phenomenon to see a stock in such a mine climb slowly to fairly high levels while the mill is under construction, and then, after production has actually started, and the mine is at last paying expenses, to see the market price fall off.

These phenomena can only be attributed to the public's instinct to see in every near-producer another Lake Shore. When it is seen from actual milling returns that the mine is merely a profitable producer, disappointment is reflected in the market.

Conditions at the properties in this group are bound to have changed since the stock was originally bought, and these changes should be carefully weighed. If no changes have taken place at the property, obviously the speculator needs to be particularly wary of suggestions to buy more of the same stock.

Operating Changes

Along the same line of thought, many changes occur in the general picture from the time an offering is first, until production starts. For example, costs of supplies and of labor have been rising, and earnings estimates made at the time the stock was offered would have to be pruned. In buying additional shares in such companies, the speculator should revise in the light of present conditions, his original reasons for purchasing the issue.

In general it is safe to say that each purchase made with a view to averaging one's stock should be made as carefully as if it were a brand new purchase the speculator was making. People are loath to admit they have made a mistake, and are apt to think that because they considered a certain stock was sound in February, it is still sound. This mental quirk is often a dangerous pitfall to the man who would average his losses.

Because of the fact that the mortality rate in mining stocks is so high, it should be remembered that it is easier to lose by averaging than it is to gain. In other words, it is in the majority of cases wiser not to attempt this method of recouping one's losses in the mining market. It would be better to buy into a newer, fresher prospect.

Probably the whole case for and against averaging could be summed up in the old adage; "When in doubt, don't."

Report Oil Signs On Severn River

Winnipeg Party Note Favorable Prospecting Ground in Sachigo

From Our Own Correspondent

WINNIPEG.—For several miles north and east of Sachigo favorable prospecting ground continues and some outcroppings that will stand further investigations were noted by a Winnipeg prospecting party headed by W. C. Walsh who spent from early spring till just before freeze-up in this area.

The prospecting trip was unique in some respects in that a motion picture operator was carried with the party and a complete picture story of the trip recorded almost from the time the party left Winnipeg via the steamer Kenora for Norway House. From that point onward the trip was made in two specially strong canoes. The route was the old canoe route to God's Lake, thence to Sachigo and from there on was through new territory. The Sachigo River was followed to its junction with the Severn and then the latter river to Fort Severn on the shores of Hudson Bay.

For the first hundred miles the land slopes sharply to the north and east and more than 70 rapids were negotiated in this stage of the journey most of which were run, either with the canoes light or partly loaded. Apart from some areas which appeared to be fairly well mineralized, the most interesting thing found by the party in the way of natural resouces was indications of oil at various places along the Severn River. Although a good deal of geological data was obtained and some interesting occurrences noted and carefully mapped the party did not stake any claims.

Mill Building Going Up At Sladen Malartic Mine

Trusses are now being erected for the mill building at Sladen Malartic and this should be completed before heavy frost, says Andrew Walz, consultant, in a progress report. Underground preparation for mining is well under way and it is believed the mine will be ready coincidentally with the plant. Exploration and development underground are proceeding eastward on the 350 and 500-ft. levels. The new intermediate east ore body on the bottom level has been outlined in vertical section.

Drilling indicates that the east ore body extends at least 200 ft., below the level, and substantial widths are suggested by the results of the closely spaced drilling. Another ore section to the north has been indicated by drilling from the east face on the 350-ft. level; this appears to be the downward extension of the original east ore body.

TECK'S RESERVES MAINTAINED

At slight sacrifice in grade, Teck-Hughes Gold Mines, whose south shaft at Kirkland Lake is shown above, maintained the tonnage of its ore reserves during the year, the annual report for the fiscal year ended August 31 shows. At the same time, this company bettered its working capital position by nearly $300,000. Lamaque Gold Mines, its Quebec subsidiary, had, by the end of the year, redeemed $500,000, or 25% of its bonds, leaving $1.5 million to be redeemed before profits can be applied to dividends.

Methods of Cariboo Rush Revived at Zeballos River

From Our Own Correspondent

VANCOUVER. — Zeballos River continues to be one of the most active and interesting gold camps in British Columbia. Some extremely rich ore has been taken from the ground, and development is impeded only by the fact that the country is very rugged.

Zeballos is on the west coast of Vancouver Island in heavily timbered, rocky terrain that provides only the most difficult access. Although a road has been built most of the way to the property held by A. B. Trites, formerly active with Premier Gold Mines, to most of the claims only a rough trail is available, and in some places not even a horse could negotiate the passage.

Carrying freight to the mines has become a back-packing proposition reminiscent of the early Cariboo gold rush days. Reports from the camp indicate that there are 300 men on the ground and three women, the latter being the wives or daughters of the earliest settlers. At least one of them has taken an active part in prospecting.

Five groups of claims have been optioned at Zeballos during the last few days. The Garbo group, located near the Privateer property from which some of the richest ore has been taken, was disposed of by Albert Bloom to a Vancouver syndicate.

B. G. Hawkins and Roy L. Horie have optioned the BX group of nine claims to Wendell B. Farriss, K.C., and associates, of Vancouver.

The Golden Gate group, comprising four claims, has been optioned by David Lutz, Alfred Bird, Charles Smith and Alex McDonald to George Bancroft, representing other Vancouver interests.

Vancouver people have also taken up the option on the Peerless group from John Hagmo.

A. G. Langley, representing British capitalists, has taken an option on the Goldfield property from Hawkins and Horie.

Dr. Victor Dolmage has been carrying out an examination of the Van Isle group.

Cariboo Duet In Good Shape

Mill Scheduled for Hudson Property—Gold Quartz Makes Record

From Our Own Correspondent

VANCOUVER.—Cariboo Hudson Gold Mines will install a 50-ton mill, according to announcement of President W. B. Burnett. Fred Wells, who is regarded as the father of lode gold mining in the Cariboo and who is responsible for bringing Cariboo Gold Quartz into production, has taken the leading part in developing Cariboo Hudson and is convinced that the property has reached a point where a small mill is warranted.

The mill will be of the flotation type, and concentrates will be shipped to smelters for treatment. Base metals in the ore will pay cost of transportation, according to Burnett.

When milling starts the company will have approximately 200 feet of backs on the particular vein from which the ore will be drawn.

Cariboo Gold Quartz produced bullion to the value of $103,530 in September — the highest monthly total since establishment of the mine, indicating a quick comeback after the labor trouble which caused a shut down of operations for five weeks early this summer.

A total of 7,455 tons of ore was milled, from which 2,958 ounces of gold were recovered. Increased production is due to the increased milling capacity which became effective during the month.

Straw Lake Beach Gold Makes Option Agreement

Straw Lake Beach Gold Mines, recently listed on the Toronto Stock Exchange, has entered into an agreement whereby 100,000 shares have been underwritten and an option granted on 700,000 shares. Under the underwriting, 50,000 shares have been taken up at 20 cents per share, 25,000 shares are to be paid for by Dec. 7, 1937, and the other 25,000 shares by Jan. 7, 1938. Option covers an initial block of 200,000 shares at 20 cents, with subsequent payments ranging from 25-40 cents per share in blocks of 100,000 shares each.

Shaft is down 440 ft. at the Straw Lake property, with two levels opened. Crosscutting from a station at 425 ft. has intersected the vein at that depth and drifting is proceeding. On the 300-ft. level, 1,000 ft. of lateral work disclosed up to 140 ft. of ore running $14.01 over 32 in. Over 24 in., 64.8 ft. returned $14.35; 40.1 ft. averaged $15.08 over 32 in. On the 100-ft. level, 650 ft. of lateral work produced two ore-shoots, one 198 ft. long running $22.37 and the other 57 ft. long, returning $15.29, both over 32 in.

Gurney Gold Now Producer

Is First Manitoba Mine Financed in Province — Opens Mill

From Our Own Correspondent

WINNIPEG.—Gurney Gold Mines, halfway between Cranberry Portage and Sherritt Gordon mine, was added to Manitoba's gold producing mines recently when C. Gordon Smith, president and Harold Smith, vice-president, pulled the switches and set the mill in motion.

Gurney Gold Mines took over the property from Wylie Dominion Gold Mines in Oct., 1935. At this time a shaft had been sunk to a depth of 116 feet and some drifting done on one of the vein systems.

It was found necessary to overhaul the mining plant and renovate the shaft. The underground work, planned for preliminary exploration, was not suitable or adequate for intensive exploration which was immediately undertaken. By early spring, 74,000 tons of .36-ounce ore had been proved with another 50,000 tons indicated, which assured about three years operation for a 125-ton mill. Gurney is also the first important producer of gold brought into production by Manitoba money only.

In addition to developments on the 625-foot horizon where there is promise that subsurface work, recently resumed, will open an occurrence at least equal to that developed during the past years, there is another vein occurrence about 1,800 feet northeast. Surface diamond drilling has proved an ore occurrence with a known length of 350 feet having widths around 12 feet and continuing to the 125-foot horizon, the deepest tested. Assay values have not been determined pending the final details of completion of the modern assay office which forms part of the new plant.

Engineer Probes Chiboug Property

Company Will Undertake Further Lateral Exploration

From Our Own Correspondent

MONTREAL.—Consolidated Chibougamau Goldfields has engaged Herbert E. Corbett, consulting engineer, to conduct an examination of its Cedar Bay property, upon which operations have been suspended by Consolidated Mining and Smelting Co. Mr. Corbett is now at the mine, and it is understood that his report and recommendations will be available in the near future.

Although Consolidated Smelters are suspending operations, further lateral exploration is to be undertaken by Consolidated Chibougamau. This work is to take the form of driving short crosscuts from the ore-shoots already opened up in drifting by Consolidated Smelters.

As previously announced, the company plans to maintain a small crew at the property throughout the winter.

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FROM THE MARITIMES through to the YUKON

52 survey and exploratory parties placed in the field by the Mines and Geology Branch Department of Mines and Resources.

This summer about 300 men are working in every mineral province in the Dominion, the Yukon and the Northwest Territories to record new mining data. Out of fifty-two parties, forty-one were engaged in geological investigations and eleven in topographical mapping.

BRITISH COLUMBIA
Attention is given to the mapping and exploration of little known areas in the central portion of the province. Detailed examinations in several of the producing camps. And the surveying and mapping of areas in other sections of the province where prospecting has been active.

ALBERTA
The mapping of oil and gas structures in the foothills, and in a large area in the extreme southeastern section of the province is holding the attention this year.

SASKATCHEWAN
A total area of approximately 20,000 square miles of Pre-Cambrian formations in the northern half of the province is being given attention.

MANITOBA
The geology of two areas will be mapped, one lying south of Red Deer Lake, and the other north of Oxford and Knee Lakes. And detailed examination of the Central Manitoba field is being continued.

ONTARIO
Geological mapping and investigations in the Quetico-Ignace area, 70 miles west of Port Arthur; in the southwestern peninsula of the province; in the Toronto-Hamilton area; in the Madoc-Marmora area; and in a portion of the province east of Ottawa. Also includes a topographical project in northwestern Ontario.

QUEBEC
Approximately some 4,000 square miles of territory is being covered in the field operations this year. Attention is chiefly centred to the mineral areas north of the Transcontinental Railway. Geological investigations are being carried out in the Clericy and Bousquet-Joannes areas, south of the Railway.

MARITIME PROVINCES
Comprising the geological examination of two areas in New Brunswick; a special study of the Sydney coal-fields; and an examination of the principal mining properties in Nova Scotia.

YUKON
Geological investigations in the Klondyke area are being continued. This area is the chief source of Canada's placer gold output. Topographical mapping of the Mayo area, 130 miles east of Dawson is also being carried on.

NORTHWEST TERRITORIES
As important gold discoveries have been made in the Yellowknife River area, and a large area immediately to the east, geological investigations and mapping are being carried on in these sections.

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